

ANNUAL REPORT 1996 - 97

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WIPRO LIMITED

DIRECTORS

Azim H Premji
(Chairman & Managing Director)
Pratap Bhogilal
Dr Nachiket Mor
B C Prabhakar
Nalin Thakor
N Vaghul
Hamir K Vissanji

COMMITTEES OF THE BOARD

COMPENSATION & BENEFITS COMMITTEE

Azim H Premji (Chairman)
Nalin Thakor

AUDIT COMMITTEE

Hamir K Vissanji (Chairman)
Azim H Premji

CORPORATE EXECUTIVE COUNCIL

Azim H Premji (Chairman)
Subroto Bagchi
V Chandrasekaran
S R Gopalan
Dr S Mitta
P S Pai
D A Prasanna
Dileep Ranjekar
M S Rao
Suresh C Senapaty
Ashok Soota

Corporate Office

Du Parc Trinity
17 M.G.Road, Bangalore - 560 001.
Tel : 91-80-5092598. Fax : 91-80-5596751

Azim H Premji (Chairman)

Subroto Bagchi (Corporate Vice President,
Quality, Information Systems and Facilities)

Dileep Ranjekar (Corporate Executive
Vice President, Human Resources)

Suresh C Senapaty (Corporate Executive
Vice President, Finance)

Wipro Infotech Group

88, M.G.Road, Bangalore - 560 001.
Tel : 91-80-5588422 Fax : 91-80-5586657

Wipro Consumer & Lighting Group

'Nirmal', 241-242, Nariman Point
Mumbai - 400 021.
Tel : 91-22-2029254 Fax : 91-22-2841143
P S Pai (Group President)

Wipro Finance Limited

Wipro Centre, 5, Papanna Street
St.Marks Road Cross
Bangalore 560 001.
Tel : 91-80-2279407 Fax : 91-80-2279706
S R Gopalan (President)

Healthcare Systems

Wipro GE Medical Systems Limited

4, Kadugodi Industrial Area
Sadaramangala, Bangalore 560 067.
Tel : 91-80-8452923 Fax : 91-80-8452924
D A Prasanna (President & CEO)

Wipro BioMed

903, 'Prakash Deep' 7, Tolstoy Marg
New Delhi - 110 001.
Tel : 91-11-3325677 Fax : 91-11-3738675

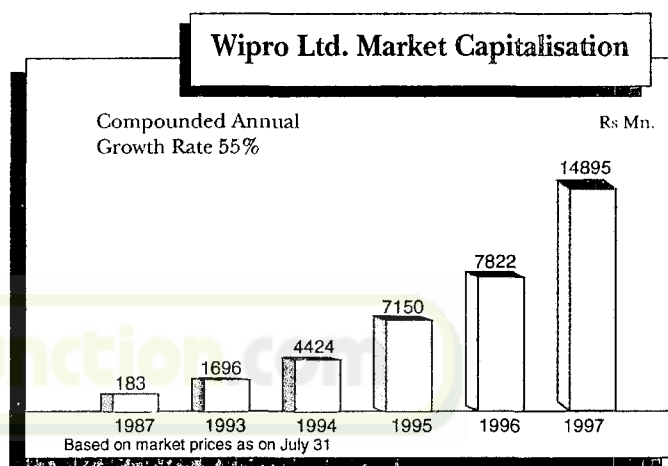
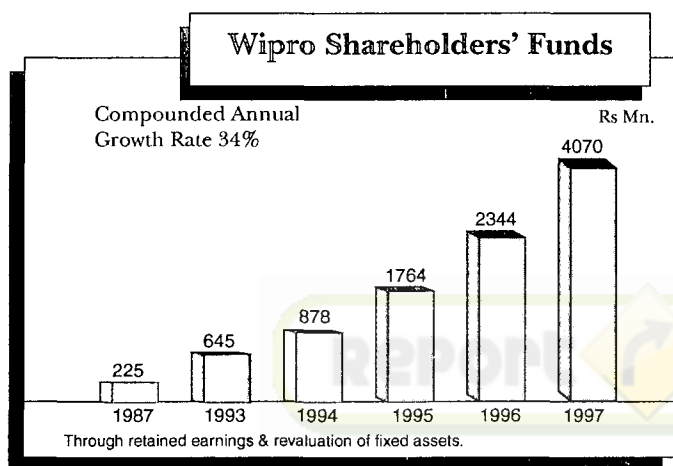
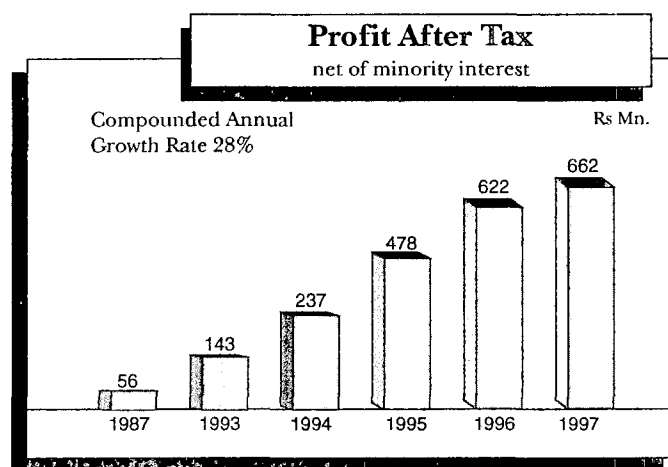
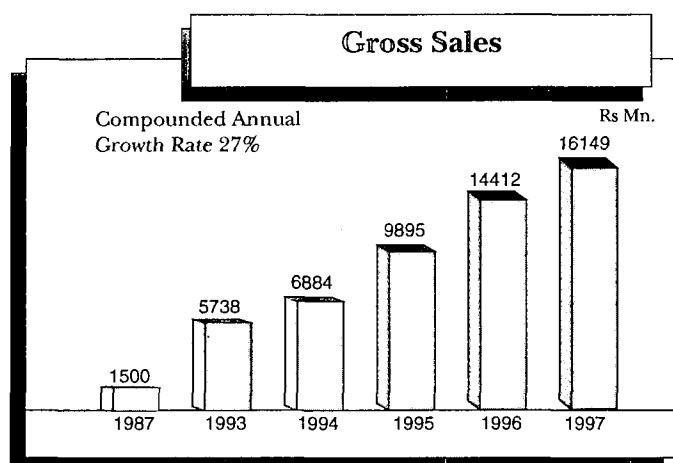
Vinod Wahi (Chief Executive)

Wipro Fluid Power

9B/10A, Peenya Industrial Area,
Phase 1, Bangalore 560 058.
Tel : 91-80-8394982 Fax : 91-80-8396450
M S Rao (President)



Wipro Corporation (Year ending March 31)



Gross Sales 1997						Rs. Million		Return on Average Shareholders' Funds(%)	
Infotech Group		Consumer & Lighting Group	Finance	Healthcare Systems	Fluid Power	Corporation		1997	
Software Exports	Hardware					16149		21	
2586	6484	3319	992	2128	640			excluding revaluation reserve 26%	

Earnings per share is Rs. 43 for Wipro Shareholders based on Corporation profits.

Executive Summary on Wipro Corporation Results

Wipro Corporation comprises of Wipro Limited, a publicly listed company, its subsidiary Wipro Finance Limited, and its joint venture companies, Wipro Acer Limited, Wipro GE Medical Systems Limited, and Wipro BT Limited whose accounts are consolidated on the basis of standard international accounting principles.

Wipro Corporation's Sales in the year ended March 31, 1997 was Rs.16,149 million up by 12% and Profit After Tax (net of minority interest) was Rs. 662 million up by 6% over previous year. (Profit after Tax of Wipro Limited at Rs. 635 million was up by 33% over previous year). Over the last 10 years, Sales have grown at an average annual rate of 27% and Profit After Tax at 28%. Wipro ranks among the top 50 publicly held corporations in India.

In 1996-97, Software Exports of Wipro Corporation were Rs. 2734 million (Wipro Limited Rs. 2,586 million), up by 57% over previous year. This makes Wipro the clear # 2 in Software Exports from India and 1.7 times the size of the # 3. Software Exports in 1997-98 are planned at

Rs. 4000 million.

We continue to aggressively grow our Brand business in Wipro Consumer and Lighting by investing in brand building and are well positioned for significant growth in 1997-98. Our focused Indian ingredients brand strategy and the excellence of our distribution network will grow our future business much ahead of market growth.

Wipro Finance Limited did not have a satisfactory year primarily because of cash flow problems with our corporate customer base. Our Healthcare Systems business had significant growth and is increasingly emphasising Exports and Services businesses. Wipro Fluid Power is successfully building the Export business.

Our R&D expenditure of Rs. 283 million including capital expenditure makes us among the top 25 R&D investors in India.

Our five businesses are fundamentally strong and in high growth areas with the total market we address growing at over 25% per year.



Wipro Corporation

Wipro is a diversified, integrated Corporation in Services, Technology Products and Consumer Products.

The five businesses are - Information Technology, Consumer and Lighting, Financial Services, Healthcare Systems and Fluid Power. The Corporate office - Corporate Human Resources, Corporate Finance, Quality and Information Management - allocates resources, establishes and focuses Corporate initiatives and other programs and transfers ideas from outside into the company and across businesses. **The diversity of the Corporation is integrated through a strong focused drive for leadership and quality in each of our businesses, shared Beliefs and business practices.**

We seek leadership in all the businesses we are in. In Information Technology we are #1 in Sales and #1 in Market Reputation. We are # 1 in Fluid Power Cylinders and #2 in Healthcare Systems, Bakery Fats, Baby Toiletries and Hair Care Soaps.

We have won the Government of India Award for Excellence in Electronics in Information Technology in five of the six years since the award has been instituted in 1990, the Rajiv Gandhi Quality Award in 1994, the National Golden Peacock Award for Software Quality in 1995 and 1996, the Government of India Award for Excellence in Export of Medical Electronics and Software in 1996 and the National Award for Electronics for R&D in 1989, 1993 and 1995.

Wipro's major achievement has been the Certificate of SEI Level 3 for Wipro Systems and Level 4 for Global R & D, by Software Engineering Institute, USA for Excellence in its Software Processes. Wipro is one of the 14 companies in the world to achieve this quality benchmark.

Wipro is guided and governed by a set of Beliefs, which are at the heart of all our activities. The Beliefs give a common cause and sense of purpose across the businesses, making Wipro in essence "one company."

Our Beliefs

- ☐ **Respect** the individual. People are our greatest asset.
- ☐ **Achieve** and maintain a position of Leadership in each of the businesses we are in.
- ☐ **Govern** individual and company relationships with the highest standards of conduct and integrity.
- ☐ **Serve** our internal and external customers through defect-free products, services and processes.

Six Sigma By 2002 - Major Quality Initiative Launched

In November 1996, we launched Mission : Quality as part of the Chairman's Office, to facilitate a centrally orchestrated Quality initiative in all the Business Units, across all functions. The methodology adopted is Six Sigma, which was pioneered by Motorola and subsequently adopted by corporations such as Texas Instruments, ABB, AlliedSignal and GE. Six Sigma is woven around the twin concepts of defect and cycle time reduction in every process in the enterprise. The current benchmark for world class corporations is achieving Six Sigma Quality - this means a process excellence that yields only 3.4 defects in a million opportunities to make a defect. This applies to design, manufacturing, service as well as other transactional parts of the business. Wipro has set out a goal of achieving Six Sigma in six years.

Our top management has gone through an intensive training in Six Sigma with assistance from Motorola and a roll out plan has been created to cover all our employees in the next 18 months. Trained in Defect and Cycle Time Reduction, Business Units have taken up 25 key Six Sigma projects in 1997-98. Improvements from these will bring us sustainable gains in areas that impact Customer Satisfaction as well as yield measurable savings to the Corporation. Additionally, experience of these Six Sigma projects will help us to spread the expertise elsewhere in the Corporation. To provide Six Sigma its due attention, we have made Quality as the Number One objective for all businesses and all employees.

Our Vision for Year 2000

- ☐ Be among the 10 Most Admired Corporations in India.
- ☐ Continually achieve excellence in Quality, Customer Satisfaction and Service Deliverables.
- ☐ Be among the top 25 Indian Groups in Profit After Tax of Rs.3 billion to ensure competitive financial power.
- ☐ Have international operations / exports contribute more than 50% of Corporation Profit After Tax.

We will make Wipro more competitive in the businesses we are in. We will aggressively grow our service and international business. As we grow larger, we are committed to retain the sensitivity, leanness, simplicity and speed of a smaller company. We continue to invest for the future. We can achieve our Vision through our key strengths of people, integrity, leadership drive, service, technology and distribution.

Wipro Infotech Group

Wipro's Information Technology business has a 15 year track record of continuous growth in sales, profitability and customer satisfaction. This is unique in India's IT industry making Wipro the No.1 IT company in India. This success has been built through sustained development of competencies in technology, software services, customer support, system integration, manufacturing and distribution. We have made our mark internationally with 40% of our revenues coming from international operations.

International Operations

Wipro's international operations are spread across USA, Europe and Asia-Pacific regions. We are today the second largest software exporter from India.

Wipro Systems is focused on helping customers compete better, through IT solutions ranging from services, technology and products. Providing in-depth solutions within tight time schedules to help our clients by using balanced strengths equally in Systems Software, Middleware and Applications Software have helped customers such as AlliedSignal, General Electric, Putnam Investments and Seagate, among others, to remain at the top.

Success in the Japanese market is best seen from our list of customers such as Casio, Daiwa, Mitsubishi, NEC, Sony and Toshiba. Our Japanese Information Processing Centre in Hyderabad contributed to our triumph in the Japanese market. A Centre for Advanced Technology has been set up in Bangalore for identifying and building competence in emerging technologies such as Objects, Internet / Intranets and Software Engineering.

Wipro Global R&D is focused on the "networking arena" to build products and services for customers worldwide. Our expertise covers development and implementation of networking protocols, network management, communication specific hardware, ASIC (Application Specific Integrated Circuits) design, embedded systems, Java, web and system software. With a proven track record in Frame Relay, Asynchronous Transfer Mode and Network Management arena, we offer our customers the "time to market" advantage. We have designed and developed our own products - Remote Access Products, "Cybermanage," a Web based Network Management Software, and CD-ROM Server. We have now designed and developed a range of synthesized core logic, "Softchips," to enable ASIC productisation. Our current portfolio includes Universal Serial Bus (USB), IEEE 1394 (Firewire) and 100 MBPS Ethernet. We have also designed products for our customers such as Newbridge, the "Geo Switch," a workgroup ATM switch. With "Odyssey 21," our R&D facility in Cupertino, California, we are amongst the first few Indian companies to set up a design and development centre in the Silicon Valley. For large clients we have dedicated "India Development Centres" set up as virtual extensions of the partners' R&D facilities in

India. Our clients include Lucent Technologies, NCR, Samsung Electronics, Sequent, Sunsoft, Tandem Computers, Newbridge Communications and VLSI Technology, among others.

To provide our clients with world class software development services and products, Wipro has invested substantially in key quality initiatives. All our software development facilities are ISO 9000 certified. Furthermore, Wipro Systems has achieved SEI CMM Level 3 in 1997 and Global R&D became the 14th organisation in the world to achieve SEI-CMM Level 4 in 1997.

India Operations

We are leaders in every segment in which we operate including Computers, Peripherals, Communications and System Integration. We market our own products as also those of our alliance partners such as Canon, Cisco, Seiko Epson, Sun Microsystems, Tandem Computers, Newbridge and Wipro Acer, and Software from Adobe, Borland, Netscape, SPSS and others.

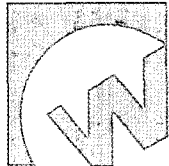
Wipro Acer is our 55:45 joint venture with Acer, a US \$ 7 billion company and fourth largest PC company in the world.

We have a significant investment in people, systems and infrastructure for Support which is the key to customer satisfaction. Over 500 field support staff and a network of 80 support franchisees give us the widest reach in the country. Our sales and distribution channels represent another unique strength and in Customer Support we are ranked #1. Our direct sales force works out of 25 field offices and delivers Information Technology solutions to large customers. We are leaders in Government, Telecommunication, Finance, Manufacturing and Energy markets. These vertical markets are supported by horizontal specialisations in Network Integration, Intranets and Data Warehousing. We have executed some of the country's largest and most complex System Integration projects including communication networks for corporate customers and defence / aerospace projects of national importance. We have specialised dealer channels to handle computers, peripherals and software products spanning over 150 cities nationally.

Our solutions in value added network services (VANS) include International Standard E-mail, File Transfer, Protocol Conversion, End-to-end Communication Services and Fax Store and Forward.

R&D and Quality are the cornerstones of our success. These help us deliver products and services that are on the leading edge of technology. We have ISO 9000 certifications for our support business and all three of our manufacturing plants for PCs and printers.

Our winning strength is our people. We have over 5000 professionally qualified people dedicated to meeting customer needs all over the world.



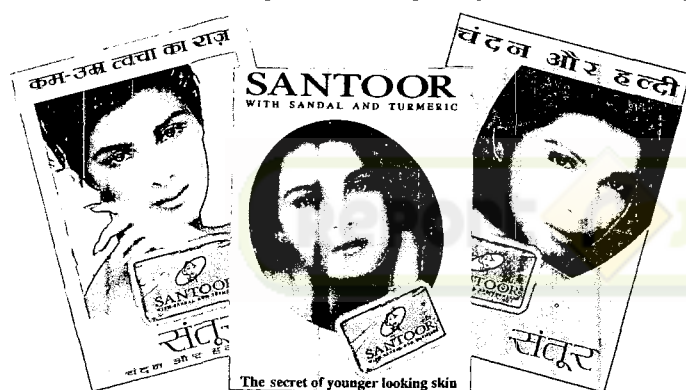
Consumer & Lighting Group

Wipro Consumer

Our success comes from our deep commitment towards understanding consumer needs and translating these need into winning products.

We were pioneers in flexi packaging for vanaspati (hydrogenated cooking fat). Sunflower vanaspati, a brand leader, has achieved impressive market share in an increasingly competitive market. Our Camel and Blackbird brands serve the unique needs of commercial users like biscuit manufacturers and bakeries and are market leaders in the institutional segment.

Santoor, a soap based on turmeric-sandal combination, a traditional Indian recipe for beauty and skin care, is a major brand today. The brand equity enjoyed by Santoor has been leveraged by Santoor Beauty Talc and Santoor Pure Sandal Talc. Wipro Shikakai, a brand leader, is a special hair care soap containing soapnut extract long



Santoor, with turmeric and sandalwood, is a market leader in ingredient-based soaps in India.

cherished for its hair care and cleansing properties. This brand has been extended into an anti dandruff variant called Wipro Herbal, a first of its kind concept in soaps. Our soap portfolio was further consolidated with the launch of one more ingredient based soap, Milk & Roses. Milk & Roses, with ingredients of milk and roses, has been extended to the Hindi speaking belt after a successful test market in Punjab.

We identified a niche in 1990 for reasonably priced high quality baby care products and introduced the Wipro BabySoft range in 1991. In 1994, we launched Wipro BabySoft soap with milk and almond, followed by the launch of olive oil enriched baby powder in 1995. These highly successful launches have further strengthened our #2 position in this segment.

Our national distribution network comprises of 32 warehouses. Over 1500 redistribution stockists directly service 350,000 retail outlets and a further 650,000 outlets are indirectly serviced. Our quality of distribution service is amongst the best in the country.

Our philosophy in the consumer products business has been to provide high quality, ethnic based, value for money products through a close understanding of

consumer needs. We support this with high operating efficiencies in manufacturing, buying and distribution which gives us an edge in cost effectiveness and profitability. Our brands are consistently backed with focused advertising and promotion to ensure growth in market share to achieve leadership goals.

Wipro Lighting

We manufacture and market lighting products for consumer, commercial and industrial markets. Wipro Lighting leverages on the core strength of our consumer business.

Wipro's well established national presence through its expanding distribution network comprising 300,000 directly serviced outlets provides the infrastructure for marketing products in the consumer segment.

Aggressive industrial marketing, leveraged by speed of response, energy efficient lighting design and superior customer service has led to a significant market presence in the commercial and industrial markets in a short period of time.

Our product range consists of incandescent and fluorescent lamps and a full range of luminaires for industrial and office lighting, street lighting, flood lighting and special lighting systems for varied applications. As a first, we have launched the WiproLite circular fluorescent lamp range. These innovative lamps and luminaires combine energy efficiency, compactness, ease of installation and high aesthetics and are available for domestic, commercial and institutional applications.

It is inevitable that energy costs will continue to rise in the future. Our Vision 2000 is to build a strong base in energy efficient solutions. This would include energy efficient light sources, luminaires, control gear and energy audit services which will be promoted to all customers, consultants and policy makers. To supplement our thrust in R&D we have a technology collaboration with Toshiba Lighting.

Wipro Lighting will leverage its investments in manufacturing, R&D, product design, lighting solutions and training to deliver the most energy efficient lighting solutions and products in the quickest response time to our customers. These investments will help us to achieve a leadership position in the lighting solutions market and simultaneously conserve the scarce resources of our country.



Wipro Lighting has pioneered the manufacture of circular fluorescent lights in India.



Financial Services

Wipro Finance, which commenced operations in July 1992, has emerged as a strong player in the business lines it is engaged in. Wipro Finance serves customers with capital resources, expertise and information to meet their financial needs and manage their portfolios.

Our product portfolio comprises primarily of Equipment Finance, Car Finance, Trade Finance, Factoring, Merchant Banking and Financial Information Services. These products and services are targeted at the mid-range corporate clientele, professionals / self employed, and the financial community. We offer a savings instrument in the form of Fixed Deposits.

Our major strength lies in our focused approach in certain identified high technology, fast growing market segments such as information technology, pollution control and renewable energy. We have developed superior knowledge in these areas, supported by an excellent information base. This enables us to go beyond the role of a mere financier and provides us with a competitive edge. We are able to provide value addition to our customers through imaginative customisation of products to meet individual needs.

Auto finance got off to a good start this year, with disbursements of Rs. 200 million to 300 customers. We will be significantly stepping up our car financing activity in 1997-98.

We are one of the few companies in India to offer Factoring Services for receivables financing. We have started operations in selected segments and will be extending our reach in 1997-98. We are also exploring opportunities in International Factoring.

Our Financial Information Services caters to the needs of customers in the areas of capital market, money market and foreign exchange by providing real time market information and updates on business and economic developments. This service is provided in association with Reuters, the global leader in international news, business and financial information. Our customer list includes four of the country's leading stock exchanges. We intend to identify further areas of business which are not fund intensive and where we will have inbuilt advantages on account of group strengths.

We enjoy high credit worthiness with the commercial banks, financial institutions and other lenders. The Net Worth of Rs.770 million, supported by long term credit lines of Rs.2,500 million has enabled us to meet the business requirements of our 900 corporate customers.

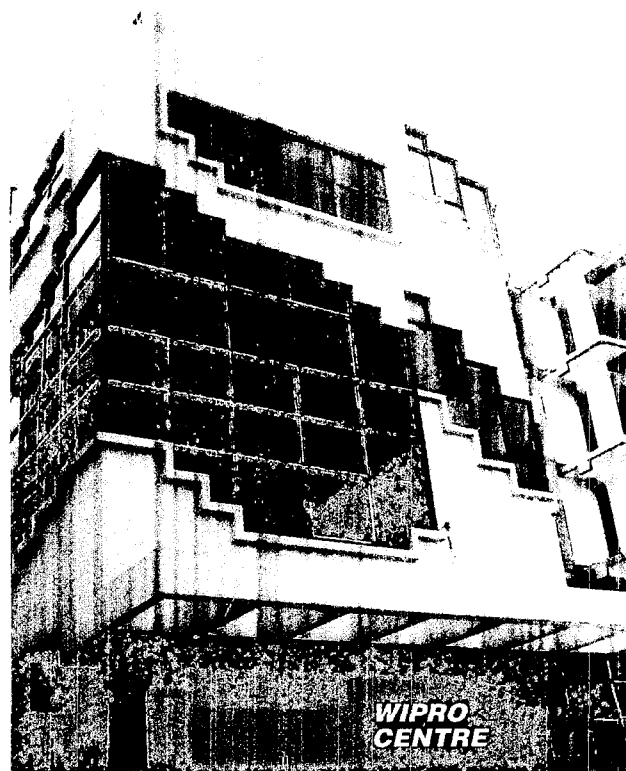
Feedback from these customers indicate a high level of satisfaction with our speed of response and willingness to address diverse requirements through tailor-made product offerings.

In view of the generally difficult market conditions, we stepped down our corporate disbursements in 1995-96 and 1996-97. We expect the situation to improve after October 1997.

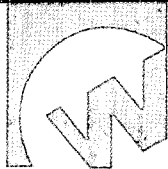
Our fixed deposit base stands at over Rs. 900 million registering a growth of about 143% over the previous year. The number of depositors exceeds 60,000.

In the current year, Commonwealth Development Corporation invested Rs.20 million in the equity of the company. International Finance Corporation (IFC) have sanctioned a credit line of US \$ 10 million.

For continued growth, we will build upon a strong financial base with a healthy mix of equity and debt, the Corporation track record of leadership and ongoing credit knowledge of several thousand industrial and commercial customers, our image of professionalism, trust and integrity, our expertise in information technology and Wipro's national network of offices and dealers.



Wipro Finance, with headquarters in Wipro Centre, Bangalore, introduced Auto Finance and Factoring Services in 1996-97.



Healthcare Systems



Fluid Power

Wipro GE Medical Systems

Wipro GE Medical Systems Ltd. is a joint venture with General Electric (1996 revenue US\$ 79.8 billion) to manufacture and support a wide range of diagnostic medical imaging and therapy systems. Wipro GE is the largest medical systems manufacturer in South Asia. It has witnessed twenty-five fold growth since its inception in 1990.

Wipro GE is the global production source for RT 3200 and LOGIQ α 100 Ultrasound Scanners. RT 3200 is the market leader in Obstetrics and Gynaecology in the USA. Wipro GE developed the LOGIQ α 100 Portable Ultrasound Scanner which has found wide global acceptance. Wipro GE's ISO 9001 certified Software Development Centre designs and develops products and solutions for GE Medical Systems using the latest computer platforms.

Wipro GE assembles a range of CT scanners and has an installed base of over 150 CTs in South Asia. Recently, Wipro GE installed the world's most advanced Imaging Systems namely, CT Scanner - CTi at the Hinduja Hospital, Mumbai; MRI Scanner - GE Signa Horizon LX at GMRI, Delhi; and the Cineless Cathlab - Advantx LC at NM Wadia Hospital, Pune. In addition, a large number of the latest open MR systems (Signa Profile) are being installed all over the country. Wipro GE's recent wins include bulk orders from Government and World Bank funded projects for X-ray and Ultrasound systems.

Wipro GE won the Award for Excellence in Exports (ESC, Ministry of Commerce) as well as the first prize for R&D Excellence in Electronics (Department of Electronics, Government of India).

Wipro GE has significantly invested in service logistics with satellite networking connecting 12 cities in India. This provides access to the GE Global System - FLS/CARES for parts and service logistics as well as InSite - Remote On-line Repair Facility. These investments will significantly improve equipment uptime, image quality, applications and productivity.

Wipro BioMed

Wipro BioMed markets and services state-of-the-art instruments, accessories and consumables to the Medical, Diagnostic, Bioresearch and Analytical markets. We partner with world leaders in their respective fields - Aesculap, Elekta, Fujinon, Beckman Instruments, Biochem Immunosystems, Hewlett Packard, Stratagene and Schiapparelli Biosystems.

Wipro BioMed has been adjudged the best business partner by many of its principals in view of its successful marketing and value added customer services. We continue to add synergistic extensions to our existing product range. We manufacture Reagent Kits at our facility near Delhi and are expanding the product offering.

We have a strong team of trained and dedicated sales and service professionals, and a team of qualified scientists providing customised application support to our discerning customers. By offering access to current technical information, scientific consultation and personalised customer service, Wipro BioMed provides solutions to accelerate medical and scientific research. This approach has been well acknowledged and appreciated by the medical and scientific community in the country.

Wipro Fluid Power, an ISO 9001 company, is the fastest growing Hydraulic Cylinder and Truck Tipping System manufacturer in the country with an annual manufacturing capacity of over 50,000 cylinders. We are #1 in Hydraulic Cylinders and #2 in Fluid Power Components. We have further established ourselves in the Truck Tipping Systems recording fastest growth in 1996-97 and will now consolidate to achieve leadership.

Wipro has strengthened its presence in the Hydraulics market through alliances with world leaders. Wipro markets and supports Eaton, USA and Sumitomo Eaton, Japan in India for Hydraulic Steering, Hydrostatic Transmission and Hydraulic Motors. Wipro has now introduced state-of-the-art Cartridge Valves in India from Sun Hydraulics, USA. Kawasaki, Japan has partnered with Wipro to market their Hydraulic Aggregates used in Construction and Earth Moving Equipment.

Wipro Fluid Power is rapidly expanding to cater to the requirements of both domestic and international customers through capacity enhancement and technology upgradation. A second manufacturing facility has been commissioned at Hindupur in Andhra Pradesh. While the Bangalore facility will concentrate exclusively on the Earth Moving Equipment segment to continue our dominance and augment exports, Hindupur facility will cater to other large segments including Drill-Rigs, Material Handling and Truck Tipping Systems.

Wipro Fluid Power has the best dedicated manufacturing facility with highly productive state-of-the-art machines like friction welding, skiving and burnishing, honing, induction hardening and CNC machining centres. Wipro has done pioneering work in India for diverse testing methods of Hydraulic Cylinders and CAD activities in research and development of designs to inculcate world class quality standards. OEM customers in several Asian countries including Japan have approved Wipro, paving the way for an export-led growth in future.



Wipro Fluid Power, India's leading hydraulics cylinder manufacturer, commenced manufacture of tipping systems from its new facilities in Hindupur, Andhra Pradesh.



WIPRO CORPORATION

BALANCE SHEET AS AT MARCH 31, 1997

	Rs.millions	1997 Rs.millions	1996 Rs.millions
SOURCES OF FUNDS			
Wipro Shareholders' funds			
Share capital	152.80		152.77
Reserves and surplus	3917.21		2191.66
		4070.01	2344.43
Minority interest			
Loan funds		328.47	217.96
Secured loans	4751.27		4347.58
Unsecured loans	1832.25		1284.84
		6583.52	5632.42
		10982.00	8193.91
APPLICATION OF FUNDS			
Fixed assets			
Gross block	6526.43		3929.46
Less : Depreciation	1958.31		1195.63
Net block		4568.12	2733.83
Capital work-in-progress and advances		310.97	170.91
		4879.09	2904.74
Investments		192.53	154.39
Current assets, loans and advances			
Inventories	3880.20		2653.83
Sundry debtors	2616.22		2955.86
Cash and bank balances	707.03		287.09
Loans and advances	1859.00		3002.47
		9062.45	8899.25
Less : Current liabilities and provisions			
Liabilities	2998.93		3581.30
Provisions	156.27		186.77
		3155.20	3768.07
Net current assets		5907.25	5131.18
Preliminary expenses/Deferred revenue expenses		3.14	3.60
		10982.01	8193.91

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 1997

INCOME			
Gross sales (including agency) and other income		16149.18	14412.07
Sales and services	15436.13		13826.01
Other income	354.07		97.22
		15790.20	13923.23
EXPENDITURE			
Raw materials, finished goods and process stocks	7466.19		7295.49
Manufacturing, administrative and marketing expenses	5260.06		4061.86
Excise duty	643.12		594.50
Interest	1149.10		828.88
		14518.47	12780.73
Profit before depreciation and taxation		1271.73	1142.50
Depreciation		548.67	418.43
PROFIT BEFORE TAX		723.06	724.07
Provision for taxation		7.06	23.03
Past service liability for leave benefits		--	53.04
Share of profits attributable to minority interest		54.50	25.73
PROFIT FOR THE YEAR		661.50	622.27
Other appropriations / transfers		--	(13.99)
Transferred to debenture redemption / capital redemption reserve		(3.30)	10.54
Balance of profits		658.20	597.74
Proposed dividend / interim dividend		55.34	38.19
Tax on proposed dividend		3.82	-
Transfer to general reserve		599.04	559.55



WIPRO LIMITED

DIRECTORS' REPORT

The Directors present the Annual Report of Wipro Limited for the year 1996-97.

	(Rs. in millions)	
	1996-97	1995-96
Gross sales (including agency) and other income	13,094.0	12,137.0
Sales and other income	12,814.9	11,716.2
Profit before tax	629.1	520.4
Tax provision written back	6.2	9.0
Past service liability	-	(51.7)
Profit for the year	635.3	477.7
Appropriations:		
Debenture redemption reserve	3.3	10.5
Proposed dividend	38.2	38.2
Tax on proposed dividend	3.8	-
General reserve	590.0	428.9

The Directors recommend a dividend of Rs. 2.50 per equity share to be appropriated from the profits for the year 1996-97 subject to the approval by the members at the Annual General Meeting.

Mr Hamir K. Vissanji, a Director of the Company, retires by rotation and being eligible, offers himself for re-appointment.

Mr D. J. Balaji Rao (ICICI Nominee) has resigned from the Board on November 27, 1996. The Board of Directors record their appreciation of the valuable contribution made by Mr. D. J. Balaji Rao during his tenure as Director of the Company.

Dr Nachiket Mor has been appointed as ICICI's Nominee Director with effect from November 27, 1996.

Mr B. C. Prabhakar was appointed as an Additional Director of the Company with effect from February 20, 1997 and in accordance with the provisions of Section 260 of the Companies Act, 1956, he retires at the ensuing Annual General Meeting and offers himself for re-appointment.

Mr N. Vaghul was appointed as an Additional Director of the Company with effect from June 9, 1997 and in accordance with the provisions of Section 260 of the Companies Act, 1956, he retires at the ensuing Annual General Meeting and offers himself for re-appointment.

Fixed deposits from the public as at March 31, 1997, were Rs. 3.4 million, and the unclaimed deposits as at that date were Rs. 1.4 million.

Pursuant to Section 212 of the Companies Act, 1956 the Annual Report for the year 1996-97 and Accounts for the year ended on March 31, 1997, of the subsidiary companies Wipro Finance Limited, Wipro Acer Limited, Wipro Investment Limited and Inlec Investment Limited are attached.

Though, as at March 31, 1997, Wipro Factors Limited and Wipro Securities Limited were subsidiaries of the Company, the Annual Report of these subsidiary companies are not attached as the first accounting period of these subsidiary companies would be for a period ending after March 31, 1997.

The Company has revalued its fixed assets to make the financial statements more true and fair by reflecting replacement cost of fixed assets in the Balance Sheet and increased focus on cost productivity of fixed assets.

The Auditors, M/s. N. M. Rajji & Co., retire at the conclusion of the ensuing Annual General Meeting and offer themselves for re-appointment. Members are requested to appoint the Auditors and fix their remuneration.

Auditor's comments in their report under para 4(b) read along with note to accounts no. 2 is self explanatory.

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, is given in the Annexure forming part of this report.

Measures for conservation of electrical energy undertaken during the year include trimming of autoclave and neutraliser impeller blades for vanaspati plant. In addition various activities were also undertaken to bring down the consumption of gas for FTL manufacture.

Our R & D continued its efforts in execution of projects not only in the USA but also in Europe and the Far East. Several internationally leading edge products like CyberManage, CD Serv, SoftChips and Service Edge were also launched. In quality, significant achievements were made by our R&D for software processes by obtaining CMM Level 4 maturity in Global R&D and Level 3 maturity in Wipro Systems.

The total expenditure on R&D during the year was Rs. 269.47 million including capital expenditure of Rs. 42.85 million.

The foreign exchange earnings of the Company during the year were Rs. 2899.18 million while the outgoings were Rs. 3470.89 million (including materials imported).

On behalf of the Board

Bangalore
August 1, 1997

Azim Hasham Premji
Chairman.



AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of Wipro Limited as at March 31, 1997 and also the annexed Profit and Loss Account for the year ended on that date, and report that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
2. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books;
3. The Balance Sheet and Profit and Loss Account are in agreement with the books of account;
4. In our opinion and to the best of our information and according to the explanations given to us, the said account read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and
 - a. given true and fair view of the state of affairs of the Company as at March 31, 1997, in case of the Balance Sheet and
 - b. Subject to a withdrawal of Rs 190 million from Capital Reserve to off-set the reduction in the market value of stock-in-trade (land) as mentioned in Note 2 to Notes to Accounts, give a true and fair view of the profit for the year ended on that date, in case of the Profit and Loss account.
5. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate, we further state that;
 - i) The Company has maintained proper records showing quantitative details and the situation of its fixed assets. A major portion of fixed assets have been physically verified by the management during the year. In our opinion, the frequency of verification of fixed assets by the management is at reasonable intervals, having regard to the size of the Company and the nature of its assets. No material discrepancies have been noticed between the book records and the assets physically verified.
 - ii) The fixed assets have been re-valued as at March 31, 1997, at depreciated replacement value based on the report of an independent firm of Chartered Surveyors and Valuers. The net increase in value, on account of revaluation, has been credited to Revaluation Reserve.
 - iii) Stocks of finished goods, store, spare parts and raw materials have been physically verified by the management at reasonable intervals.
 - iv) In our opinion and according to the information and explanations given to us, the procedures for physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - v) The discrepancies noticed on physical verifications of stocks, as compared to book records were not material and have been properly dealt with in the books of account.
 - vi) In our opinion, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles, except that as stated in Note 6 in the Notes to Accounts, customs and excise duty on stocks is accounted on clearance of goods, which has no impact on profits for the year. The valuation of stocks is on the same basis as in the preceding year.
 - vii) In our opinion, the rate of interest and other terms and conditions on which a loan has been taken from a company listed in the register maintained under Section 301 of the Companies Act, 1956, are not prima facie, prejudicial to the interest of the Company. We have been informed that there are no companies under the same management.
 - viii) The Company has granted unsecured interest-free / interest - bearing loans to its subsidiaries, and a joint venture company which are listed in the register maintained under Section 301 of the Companies Act, 1956. The terms and conditions of such loans are not, prima facie, prejudicial to the interest of the Company. We have been informed that there are no companies under the same management.
 - ix) In respect of loans and advances in the nature of loans given by the Company, the parties have generally repaid the principal amounts as stipulated along with interest as applicable.
 - x) The Company has adequate internal control procedures commensurate with its size and nature of its businesses for the purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods.
 - xi) We have been informed that there are no transactions of purchases of goods and materials and sales of goods, materials and services from the parties listed in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000 or more in respect of each party.
 - xii) As explained to us, the Company has a regular procedure for determination of unserviceable or damaged stores and raw material. Adequate provision has been made in the accounts for the loss arising on the items so determined.
 - xiii) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975, with regard to the deposits accepted from the public.
 - xiv) In our opinion, the Company has maintained reasonable records for the sale and disposal of realisable by products and scrap.
 - xv) The Company has a system of internal audit which is adequate in relation to the size and nature of the business of the Company.



WIPRO LIMITED

- xvi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for maintenance of cost records in respect of the Vanaspati Unit under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that, *prima facie*, the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- xvii) The Company has been generally regular in depositing Provident Fund and Employees' State Insurance dues with the appropriate authorities, except that in a few cases there were minor delays in depositing the dues.
- xviii) There are no undisputed amounts in respect of Income tax, Sales tax, Customs duty and Excise duty which, as at the Balance Sheet date, were outstanding for a period of more than six months from the date they became payable, except for Sales tax of Rs. 0.58 Lakhs, which has since been paid.
- xix) On the basis of our examination of the books of account and the information and explanations given to us, there are no personal expenses which have been charged to the revenue account other than those expenses incurred in terms of service contract obligations with employees and accepted business practice.
- xx) The Company is not a sick industrial company within the meaning of Section 3 (1) (O) of the Sick Industrial Companies (Special Provision) Act, 1985.
- xxi) As regards the trading activity of the Company during the year, damaged goods were determined and the value thereof written off in the accounts.
- xxii) The business activity carried on by the Company includes letting out immovable property on a rental basis. In this context, maintenance of records of materials, stores, man hours, etc., is not considered necessary.
- xxiii) The service activities of the Company are such that an elaborate system of allocation of materials and man hours to the relative jobs is not considered necessary. The Company has a reasonable system of recording receipts, issues and consumption of raw materials and components, commensurate with its size and nature of its business.
- xxiv) As regards its service activities, the Company has a reasonable system of authorisation at proper levels with necessary controls on the issue of stores and also has a system of internal control commensurate with its size and nature of its business

For **N M Raiji & Co.**
Chartered Accountants

J. M. Gandhi
Partner

Mumbai, August 5, 1997



WIPRO LIMITED

BALANCE SHEET AS AT MARCH 31, 1997

	Schedule	Rs.000s	1997 Rs.000s	1996 Rs.000s
SOURCES OF FUNDS				
Shareholders' funds				
Share capital	1	152,771		152,771
Reserves and surplus	2	3,518,616		1,812,650
			3,671,387	1,965,421
Loan funds				
Secured loans	3	2,730,872		2,599,330
Unsecured loans	4	241,649		267,301
			2,972,521	2,866,631
			6,643,908	4,832,052
APPLICATION OF FUNDS				
Fixed assets				
Gross block	5	4,072,613		1,870,088
Less : Depreciation		1,253,731		774,434
Net block			2,818,882	1,095,654
Capital work-in-progress and advances			210,570	138,482
			3,029,452	1,234,136
Investments				
Current assets, loans and advances	6		579,191	545,319
Inventories	7	1,829,574		2,337,060
Sundry debtors	8	2,241,196		2,394,624
Cash and bank balances	9	249,660		231,107
Loans and advances	10	1,082,166		726,552
			5,402,596	5,689,343
Less : Current liabilities and provisions				
Liabilities	11	2,226,342		2,506,308
Provisions	12	140,989		130,438
			2,367,331	2,636,746
Net current assets			3,035,265	3,052,597
			6,643,908	4,832,052
Significant accounting policies and Notes to accounts	17			

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 1997

INCOME				
Sales and services			12,630,219	11,610,774
Other income	13		184,704	105,424
			12,814,923	11,716,198
EXPENDITURE				
Raw materials, finished goods and process stocks	14		6,386,736	6,485,310
Manufacturing, administrative and marketing expenses	15		4,399,723	3,617,167
Excise duty			619,718	573,355
Interest	16		620,213	425,848
Depreciation			216,211	175,823
			12,242,601	11,277,503
Less : Capitalised (Refer note 11)			56,777	81,674
			12,185,824	11,195,829
Profit before taxation			629,099	520,369
Write back of provision for taxation (Refer note 12)			6,245	8,974
Past service liability for leave benefits			-	(51,719)
Profit for the year			635,344	477,624
Transfer to debenture redemption reserve			3,300	10,540
Proposed dividend (1996: subject to deduction of tax)			38,193	38,193
Tax on proposed dividend			3,819	-
Transfer to general reserve			590,032	428,891
Significant accounting policies and Notes to accounts	17			

As per our report attached
For N. M. Rajji & Co.
Chartered Accountants

J. M. Gandhi
Partner

S. C. Senapaty
(Corporate Executive Vice President-Finance)
Satish Menon
(Company Secretary and Corporate Counsel)

Mumbai, August 5, 1997

For and on behalf of the Board of Directors

Azim Hasham Premji (Chairman and Managing Director)

Hamir K. Vissanji (Director)

Bangalore, August 1, 1997



WIPRO LIMITED

SCHEDULE 1 SHARE CAPITAL**Authorised**

16,000,000 (1996 : 16,000,000) equity shares of Rs.10 each

	1997 Rs. 000s	1996 Rs.000s
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	<u>160,000</u>	<u>160,000</u>
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Issued, subscribed and paid-up

15,277,090 (1996 : 15,277,090) equity shares of Rs.10 each

	<u>152,771</u>	<u>152,771</u>
--	----------------	----------------

Of the above shares:

- 14,826,985 (1996 : 14,826,985) shares of Rs. 10 each, have been allotted as fully paid bonus shares by capitalisation of General reserve and
- 2,65,105 (1996 : 2,65,105) shares of Rs. 10 each, have been allotted as fully paid-up, pursuant to a scheme of amalgamation, without payment being received in cash.

SCHEDULE 2 RESERVES AND SURPLUS**Capital Reserve**

	1996 Rs. 000s	Additions Rs.000s	Deductions Rs.000s	1997 Rs.000s
	<u>432,797</u>	<u>4,125 (a)</u>	<u>190,000 (b)</u>	<u>246,922</u>
	431,797	1,000	-	432,797

Capital Redemption Reserve

	<u>38</u>	-	-	<u>38</u>
	38	-	-	38

Share Premium Account

	<u>32,639</u>	-	-	<u>32,639</u>
	32,639	-	-	32,639

Revaluation Reserve

	-	<u>1,298,510 (c)</u>	-	<u>1,298,510</u>
	-	-	-	-

Debenture Redemption Reserve

	<u>51,721</u>	<u>3,300 (d)</u>	<u>21,688 (e)</u>	<u>33,333</u>
	41,181	10,540	-	51,721

Investment Allowance Reserve

	<u>40,994</u>	-	<u>8,750 (e)</u>	<u>32,244</u>
	44,694	-	3,700	40,994

General Reserve

	<u>1,254,461</u>	<u>620,469 (e) (f)</u>	-	<u>1,874,930</u>
	821,870	432,591	-	1,254,461
	<u>1,812,650</u>	<u>1,926,404</u>	<u>220,438</u>	<u>3,518,616</u>
	1,372,219	444,131	3,700	1,812,650

Previous year's figures are given below current year's figures.

- Capital subsidies received Rs. 4,125,000 (1996 : Rs. 1,000,000).
- Transfer to Profit and Loss account Rs. 190,000,000 (1996 : Nil)
- Created on revaluation of fixed assets Rs. 1,298,509,584 (1996 : Nil)
- Transfer from Profit and Loss account Rs. 3,300,000 (1996 : Rs. 10,540,000).
- Transfer to General reserve Rs. 21,687,912 (1996 : Nil)
Transfer to General reserve Rs. 8,750,000 (1996 Rs. 3,700,000)
- Transfer from Profit and Loss account Rs. 590,032,229 (1996 : Rs. 428,891,657).

SCHEDULE 3 SECURED LOANS**Debentures****From banks****Term loans**

Cash credit/Packing credit/Working capital demand loan

Notes	Rs. 000s	1997 Rs.000s	1996 Rs.000s
a		<u>60,000</u>	<u>90,000</u>
b	<u>512,818</u>		<u>57,765</u>
c	<u>1,364,203</u>		<u>1,695,372</u>
		<u>1,877,021</u>	<u>1,753,137</u>

From financial institutions**Asset credit scheme****Term loans**

Bills discounting facility - SIDBI

d	<u>234,513</u>		<u>57,741</u>
e	<u>511,235</u>		<u>669,802</u>
f	<u>44,952</u>		<u>24,044</u>

Development loan from the Government of Karnataka**Others**

		<u>790,700</u>	<u>751,587</u>
g		<u>1,886</u>	<u>1,991</u>
h		<u>1,265</u>	<u>2,615</u>
		<u>2,730,872</u>	<u>2,599,330</u>



WIPRO LIMITED

SCHEDULE 3 SECURED LOANS (Continued)

Notes :

- a. i. Rs. 20,000,000 14% non-convertible debentures redeemable in three equal annual instalments which commenced on November 3, 1995, 5% premium paid on November 3, 1996; Rs. 20,000,000 14% non-convertible debentures redeemable in three equal annual instalments commencing on May 6, 1997 and 5% premium payable on May 6, 1998. The above debentures are secured/to be secured by a pari passu charge on fixed assets at Amalner, Bangalore and Bhavnagar.
- ii. Rs. 20,000,000 18.5% non-convertible debentures redeemable in three equal annual instalments commencing on March 23, 1998 and 5% premium payable on March 23, 2000. The debentures are secured/to be secured by second charge on the movable and immovable assets of the Company except book debts.
- iii. Rs. 20,000,000 14% non-convertible debentures redeemable in three equal annual instalments which commenced on September 19, 1996 and 5% premium payable on September 19, 1997. These debentures are secured by a first and joint equitable mortgage on pari passu basis over immovable properties at Mysore and hypothecation of movable properties other than inventories, book debts and specific equipments referred to in Note d.
- b. i. Nil (1996 : 1,600,000) secured/to be secured by pari passu charge on fixed assets of specific plant at Tumkur;
- ii. Rs. 39,957,317 (1996 : Rs. 47,164,584) secured by hypothecation of motor cars;
- iii. Rs. 5,998,340 (1996 : Rs. 9,000,000) Secured/to be secured by first charge on specific machinery and furniture/fittings;
- iv. Rs. 466,862,500 (1996 : Nil) foreign currency loan secured by hypothecation of movable fixed assets in certain software development centres at Bangalore and specific plant and machinery of Fluid Power unit.
- c. Secured by hypothecation of stock-in-trade, book debts, stores and spares, to be further secured by a second mortgage over certain immovable properties. Rs. 19,724,375 (1996 : Rs. 18,771,500) foreign currency loan secured by first charge over the collections from overseas clients and charge on current assets.
- d. Secured by hypothecation of specific machinery/assets.
- e. i. Nil (1996 : 4,000,000) secured/to be secured by pari passu charge on fixed assets of specific plant at Tumkur;
- ii. Rs. 8,700,000 (1996 : Rs. 41,900,000) secured by charge on movable assets (except book debts) of Lighting unit;
- iii. Rs. 149,014,772 (1996 : Rs. 161,589,510) secured by first mortgage on immovable properties and hypothecation of movable assets except book debts of the Lighting unit.
- iv. Rs. 75,000,000 (1996 : Rs. 100,000,000) secured by a first mortgage on certain office property at Mumbai and pledge of 8,130,935 shares in Wipro Finance Limited.
- v. Rs. 38,579,446 (1996 : Rs. 53,579,446) secured by a first mortgage on immovable properties and hypothecation of movable fixed assets of the plant at Hindupur.
- vi. Nil (1996 : Rs. 550,000) secured by hypothecation of specific machinery purchased under Equipment Refinance Scheme.
- vii. Rs. 18,916,508 (1996 : Rs. 41,551,310) term loans from ICICI, IDBI, UTI, and Exim Bank secured by first and joint equitable mortgage on pari passu basis on certain immovable properties and hypothecation of certain movable properties other than inventories, book debts and specific equipments referred to in Note d;
- viii. Rs. 75,000,000 (1996 : Rs. 100,000,000) secured by hypothecation of movable fixed assets in certain software development centres at Bangalore and Hyderabad;
- ix. Rs. 73,333,000 (1996 : Rs. 80,000,000) secured/to be secured by a second mortgage on all immovable properties and pledge of 4,249,986 shares of Wipro Finance Limited.
- x. Rs. 72,691,152 (1996 : Rs. 76,741,692) secured by a first charge on certain movable properties at Bangalore;
- xi. Nil (1996 : Rs. 9,890,007) secured by equitable mortgage of dwelling units purchased/constructed by employees, on a pari passu basis with HDFC.
- f. Rs. 44,951,660 (1996 : Rs. 24,044,236) direct bills discounting facility from Small Industries Development Bank of India secured/to be secured by second mortgage on immovable properties at Mysore and Aurangabad;
- g. Secured by second mortgage over immovable properties at Mysore and hypothecation of movable properties other than inventories, book debts and specific equipments referred to in Note d.
- h. Rs. 1,264,519 (1996 : Rs. 2,615,327) secured by hypothecation of motor cars.

SCHEDULE 4 UNSECURED LOANS**Fixed deposits****Short term loans and advances**

From banks

From other than banks

Other loans and advances

Sales tax loan

From other than banks

	Rs.000s	1997 Rs.000s	1996 Rs.000s
Fixed deposits		3,413	18,967
Short term loans and advances			
From banks	33		11
From other than banks	87,951		112,460
		87,984	112,471
Other loans and advances			
Sales tax loan	9,002		4,363
From other than banks	141,250		131,500
		150,252	135,863
		241,649	267,301

SCHEDULE 5 FIXED ASSETS

Rs. 000s												
Original Cost as at April 1, 1996	Additions		Deductions/ Adjustments at cost	Valuation as at March 31, 1997	Accumulated Depreciation as at March 31, 1996	Added on revaluation	Depreciation for 1996-97	Deductions/ Adjustments	Accumulated Depreciation as at March 31, 1997	Net Block as at March 31, 1997	Net Block as at March 31, 1996	
	At cost	On revaluation										
Land	25,613	17,151	123,532	-	166,296 (b)	148	-	51	-	166,097	25,465	
Buildings	169,436	6,324	685,341	-	861,101 (c)	27,659	37,541	4,867	-	791,034	141,777	
Railway siding	12	-	3,988	-	4,000	11	2,988	-	-	1,001	1	
Plant and machinery	1,437,162	529,003 (e)	771,697	12,817	2,725,045 (d)	676,531	245,577	166,821	8,879	1,080,050	1,644,995	
Furniture, fixture and equipments	141,092	54,805	-	4,154	191,743	47,721	-	18,927	3,447	63,201	128,542	
Vehicles	89,033	39,984	-	7,687	121,330	14,637	-	25,509	3,220	36,926	84,404	
Designs and drawings	125	-	-	125	-	114	-	-	114	-	-	
Technical know-how	7,594	2,785	(7,302)	-	3,077	7,593	(7,360)	36	-	269	2,808	
Patents and trade marks	21	-	-	-	21	20	-	-	-	20	1	
<hr/>												
1,870,088	650,052	1,577,256	24,783	24,783	4,072,613	774,434	278,746	216,211	15,660	1,253,731	2,818,882	1,095,654
<hr/>												
1,354,179	549,929	-	34,020	1,870,088	620,511	-	-	175,823	21,900	774,434	1,095,654	

a. Fixed assets, including occupancy rights, have been revalued as at March 31, 1997, at depreciated replacement values based on a valuation made by an independent firm of Chartered Surveyors and Valuers. On account of the revaluation, Rs. 1,577,255,148 and Rs. 278,745,564 has been added to Gross Block and Accumulated Depreciation respectively. The difference of Rs. 1,298,509,584 representing the net increase on revaluation has been credited to Revaluation reserve.

b. Land includes leasehold land Rs. 11,816,858 (1996 : Rs. 7,183,658).

c. Buildings :

i. includes shares worth Rs. 2,014 (1996 : Rs. 2,014) in co-operative housing societies.

ii. includes leasehold land property Rs. 4,240,716 (1996 : Rs. 4,240,716).

iii. is net of depreciation during construction period.

d. Includes assets acquired on hire purchase Rs. 13,195,065 (1996 : Rs. 11,743,748).

e. Additions include Rs. 1,561,779 (1996 : Rs. 4,300,480) being difference in exchange on monies borrowed for acquisition of fixed assets.



WIPRO LIMITED

SCHEDULE 6 INVESTMENTS

(Long term - at cost)

Investments in subsidiary companies**Unquoted****Equity shares**

	Number	Face value Rupees	1997 Rs.000s	1996 Rs.000s
Inlec Investment Limited	200	10	2	2
Wipro Investment Limited	200	10	2	2
Wipro Finance Limited	25,476,188	10	400,000	400,000
Wipro Acer Limited (3,299,945 shares acquired during the year)	3,299,945 #	10	33,000	1
Wipro Securities Limited (21,075 shares acquired during the year)	21,180	10	212	1
Wipro Factors Limited (66,171 shares acquired during the year)	66,171	10	662	-
			433,878	400,006

Cumulative redeemable preference shares

9% Wipro Investment Limited	1,800	10	18	18
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Investments in equity shares in other companies**Quoted****Trade investments**

Dynamatic Technologies Limited	100	10	1	1
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Other investments

HDFC Bank Limited	100	10	1	1
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Unquoted

Wipro GE Medical Systems Limited	4,900,000 #	10	49,000	49,000
Wipro BT Limited	9,000,000 #	10	90,000	90,000
			139,000	139,000

Other Investments**Unquoted****Redeemable floating interest rate bonds**

State Bank of India	2,500	1,000	2,500	2,500
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Others

Unit Trust of India [repurchase price Rs.4,433,881] (27,514 units added as bonus during the year)	302,654	10	3,793	3,793
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Aggregate book value of quoted investments			2	2
Aggregate book value of unquoted investments			579,189	545,317
Aggregate market value of quoted investments			8	8

Equity investments in Joint Venture companies carry certain restriction on transfer of shares that are normally provided in joint venture agreements.



WIPRO LIMITED

	Rs. 000s	1997 Rs. 000s	1996 Rs. 000s
SCHEDULE 7 INVENTORIES			
Stores and spares		54,243	47,387
Raw materials		967,321	976,548
Stock-in-process		100,424	131,387
Finished goods		447,586	731,738
Stock-in-trade : Land #		260,000	450,000
		<u>1,829,574</u>	<u>2,337,060</u>

Basis of stock valuation :

Raw materials, stock-in-process and stores and spares at or below cost.

Finished products at cost or net realisable value, whichever is lower.

Valued at fair market value on the date of conversion from capital asset to stock-in-trade or, current market value, whichever is lower.

SCHEDULE 8 SUNDRY DEBTORS

(Unsecured)

Over six months

Considered good	621,430	377,925
Considered doubtful	96,963	43,543
	<u>718,393</u>	<u>421,468</u>
Less : Provision for doubtful debts	96,963	43,543
	<u>621,430</u>	<u>377,925</u>
Others, considered good	1,619,766	2,016,699
	<u>2,241,196</u>	<u>2,394,624</u>

SCHEDULE 9 CASH AND BANK BALANCES

Cash and cheques on hand		115,510	122,259
Balances with scheduled banks			
On current account	74,074		46,825
In deposit account	22,635		12,140
		<u>96,709</u>	<u>58,965</u>
Balances with other banks in current account			
Great Western Bank, USA	6,040		10,896
Inkom Bank, Russia	18		16
Bank of America, USA	-		3,784
Midland Bank, UK	3,566		6,814
Wells Fargo, USA	27,678		28,107
American Express Bank, Singapore	139		266
		<u>37,441</u>	<u>49,883</u>
		<u>249,660</u>	<u>231,107</u>

Note:

Maximum balance during the year :

Great Western Bank, USA	- Rs.72,599,488 (1996 : Rs.16,777,737)
Inkom Bank, Russia	- Rs.820,937 (1996 : Rs.341,892)
Bank of America, USA	- Rs.15,965,797 (1996 : Rs.36,721,320)
Midland Bank, UK	- Rs.20,854,356 (1996 : Rs.28,518,433)
Wells Fargo, USA	- Rs.72,632,732 (1996 : Rs.52,685,751)
American Express Bank, Singapore	- Rs.1,028,440 (1996 : Rs.483,207)



WIPRO LIMITED

	Rs. 000s	1997 Rs. 000s	1996 Rs. 000s
SCHEDULE 10 LOANS AND ADVANCES			
(Unsecured considered good unless otherwise stated)			
Advances and loans to subsidiaries		668	2,032
Advances recoverable in cash or in kind or for value to be received			
Considered good	663,341		396,432
Considered doubtful	9,258		7,514
	<u>672,599</u>		<u>403,946</u>
Less : Provision for doubtful advances	<u>9,258</u>		<u>7,514</u>
		663,341	396,432
Advance income-tax (net of provision)		156,727	108,434
Balances with excise and customs		37,476	48,092
Sundry deposits		<u>223,954</u>	<u>171,562</u>
		<u>1,082,166</u>	<u>726,552</u>
Advances recoverable in cash or in kind or for value to be received include :			
a. Rs.33,000,000 (1996 : Rs.33,950,000) security deposit for premises with a firm in which a Director is interested.			
b. Secured advances Rs.7,057,904 (1996 : Rs.8,948,314)			

SCHEDULE 11 LIABILITIES

Acceptances	68,263	855,157
Sundry creditors	1,082,332	680,351
Dividend warrants posted but not encashed	783	723
Advances from customers	410,647	401,092
Other liabilities	618,987	533,573
Balance due to subsidiary companies	14,375	2,589
Interest accrued but not due on loans	30,955	32,823
	<u>2,226,342</u>	<u>2,506,308</u>

SCHEDULE 12 PROVISIONS

Employee retirement benefits	94,039	86,309
Others	4,938	5,936
Proposed dividend	38,193	38,193
Provision for taxation on proposed dividend	3,819	-
	<u>140,989</u>	<u>130,438</u>

SCHEDULE 13 OTHER INCOME

Dividend (gross)	25,040	41,923
Interest on bonds/deposits/loans (gross)	9,820	7,675
Other interest (gross)	12,842	2,911
Rental income	9,870	11,140
Profit on sale of fixed assets	2,314	3,868
Income from bills discounting	-	2,342
Miscellaneous income (Refer note 9)	124,818	35,565
	<u>184,704</u>	<u>105,424</u>

Notes:

- Dividend includes Nil (1996 : Rs.19,189,813) from subsidiaries.
- Dividend includes tax deducted at source Rs.5,866,733 (1996 : Rs.10,317,681).
- Interest on bonds/deposits/loans includes tax deducted at source Rs.2,658,867 (1996 : Rs.1,771,244).
- Other interest includes tax deducted at source Rs.59,770 (1996 : Rs.37,987).



WIPRO LIMITED

	Rs.000s	1997 Rs.000s	1996 Rs.000s
SCHEDULE 14 RAW MATERIALS, FINISHED AND PROCESS STOCKS			
Consumption of raw materials and bought out components			
Opening stocks	976,548		564,299
Add: Purchases	3,925,188		4,957,368
	4,901,736		5,521,667
Less : Closing stocks	967,321		976,548
		3,934,415	4,545,119
Purchase of finished products for sale		2,137,206	2,215,971
(Increase)/decrease in finished and process stocks			
Opening stocks: In process	131,387		163,901
Finished products	731,738		423,444
	863,125		587,345
Less : Closing stocks : In process	100,424		131,387
Finished products	447,586		731,738
	548,010		863,125
		315,115	(275,780)
(Increase)/decrease in stock-in-trade: land			
Opening stock	450,000		450,000
Less: Closing stock	260,000		450,000
	190,000		-
Less: Drawn from Capital reserve (Refer note 2)	190,000		-
			-
		6,386,736	6,485,310

SCHEDULE 15 MANUFACTURING, ADMINISTRATIVE AND MARKETING EXPENSES

Stores and spares consumed	361,407	308,547
Power and fuel	166,577	126,965
Salaries, wages and bonus	767,539	594,255
Contribution to provident and other funds	36,477	33,196
Gratuity and pension	33,883	29,856
Workmen and staff welfare	104,356	68,063
Insurance	38,054	28,927
Repairs to building	2,937	5,583
Repairs to machinery	24,136	19,512
Rent	109,620	81,446
Rates and taxes	141,577	135,312
Carriage and freight	172,147	172,117
Commission on sales	248,765	209,728
Auditors' remuneration and expenses		
Audit fees	1,600	1,500
For certification including tax audit	375	268
Reimbursement of expenses	799	644
	2,774	2,412
Advertisement and sales promotion	233,675	226,140
Directors' fees	52	61
Loss on disposal of assets	1,945	3,062
Travelling	1,122,121	822,459
Communications	162,754	157,307
Miscellaneous	668,927	592,219
	4,399,723	3,617,167

SCHEDULE 16 INTEREST

On debentures	11,552	14,091
On other fixed loans	222,813	154,014
Others	385,848	257,743
	620,213	425,848



SCHEDULE 17 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

Accounting convention

Accounts are maintained on an accrual basis under the historical cost convention.

Revenue recognition

- Sales include applicable excise duty and sales tax, unless separately charged, export incentives and are net of discounts, shortages in transit, sales returns and rebates given for price adjustment.
- Sales are recognised on despatch, except in the following cases :
 - consignment sales are recognised on receipt of statement of account from the agent.
 - sales which are subject to detailed acceptance tests, revenue is reckoned based on milestones for billing, as provided in the contracts.
 - software revenue is recognised on the basis of chargeable time or achievement of prescribed milestones as relevant to each contract.
- Export incentives are accounted on accrual basis and include estimated realisable values/benefits from Special import licences and Advance licences.
- Agency commission is accrued on shipment of consignment by principal.
- Maintenance revenue is considered on acceptance of the contract and is accrued over the period of the contract.
- Other income is recognised on an accrual basis.

Research and Development

Revenue expenditure on research and development is charged to Profit and Loss account while capital expenditure is shown as an addition to fixed assets.

Provision for retirement benefits

Provision for gratuity and leave benefit for employees is determined as per actuarial valuation at the year end. Defined contributions for provident fund are charged to the Profit and Loss account based on contributions as per statute. Defined contributions for pension are charged to the Profit and Loss account based on contributions payable in terms of the applicable scheme, after netting off the amounts rendered surplus on account of employees separated from the Company.

Fixed assets

Fixed assets are stated at replacement values less depreciation. Fixed assets have been revalued as at March 31, 1997, at depreciated replacement values based on a valuation made by an independent firm of Chartered Surveyors and Valuers. The depreciated replacement values have been arrived at on the basis of market values, present condition and balance expected useful life of the asset. Where relevant, the indices published by the Reserve Bank of India and Confederation of Indian Industry have been used in the valuation. The increase on account of revaluation has been credited to Revaluation reserve.

Interest on borrowed money allocated to and utilised for fixed assets, pertaining to the period upto the date of capitalisation and other revenue expenditure incurred on new projects is capitalised. Assets acquired on hire purchase are capitalised at the gross value and interest thereon is charged to Profit and Loss account. Renewals and replacements are either capitalised or charged to revenue as appropriate, depending upon their nature and long term utility.

In respect of leased assets, lease rentals payable during the year are charged to Profit and Loss account.

Depreciation is provided on straight line method at the rates specified in Schedule XIV to the Companies Act, 1956, except on computers, furniture and fixtures and vehicles for which commercial rates are applied. Technical know-how is amortised over six years.

On the amount added on revaluation, depreciation is provided prospectively over the remaining life of the relevant assets. An amount equivalent to this depreciation is drawn from Revaluation reserve.

Foreign currency transactions

Foreign currency transactions are recorded at the spot rate at the beginning of each month. Year end balances of foreign currency assets and liabilities are restated at the closing rate/forward contract rate, as applicable ; resultant differences on liabilities relating to acquisition of fixed assets are capitalised and on other assets and liabilities are adjusted to revenue account.

Forward premiums in respect of forward exchange contracts are recognised over the life of the contract, except that premiums relating to foreign currency loans for the acquisition of fixed assets are capitalised.

Inventories

Finished goods are valued at cost or net realisable value whichever is lower. Other inventories are valued at cost less provision for obsolescence. Indigenously developed software products are valued at cost which reflects their remaining economic life. Small value tools and consumables are charged to consumption on purchase. Stock-in-trade : Land is valued at the value on the date of conversion from capital assets to stock-in-trade or current market value, whichever is lower.

Investments

Investments are stated at cost. Diminution in value is provided for where the management is of the opinion that the diminution is of a permanent nature.



WIPRO LIMITED

NOTES TO ACCOUNTS

1. On the revaluation of fixed assets, the remaining useful lives of fixed assets have been reviewed. Based on the review;
- i) The following items have been depreciated at the rates specified in Schedule XIV to the Companies Act, 1956, as against the earlier practice of applying commercial rates.

	Per books (%)	Previous year
Buildings : Factory	3.34	3.39
: Non-factory	1.63	1.64
Plant and machinery	5.38 / 7.42 / 10.34	8.00/12.00
Dies, jigs and fixtures	7.42	33.33
Cylinders	16.21	16.21
Electrical installations and office equipment	4.75/10.34	12.00

- ii) The following are continued to be depreciated at commercial rates which are higher than the rates specified in Schedule XIV:

	Per books (%)	Per Schedule XIV
Data processing equipment	19.00	16.21
Furniture and fixtures	9.50	6.33
Vehicles	24.00	9.50

- iii) In case of assets costing less than Rs.5,000 each, 95% thereof has been provided as current depreciation.

Consequent to the change in rates, the written down value of the existing assets is being depreciated over the balance useful life arrived at on the basis of the new rates. As a result of applying the new rates, depreciation for the year is lower by Rs.31,929,524.

2. The Company had converted a fixed asset (consisting of land) into stock-in-trade at fair market value as on March 31, 1995 and pursuant to such conversion, an amount of Rs. 430,296,895 being the surplus (Market Price less original cost) on such conversion was credited to Capital Reserve. The fair market value of the said land has fallen from Rs. 450,000,000 as on March 31, 1995 to Rs. 260,000,000 as on March 31, 1997. The reduction of Rs. 190,000,000 in the value has been recognised in the Profit and Loss account and an equivalent amount has been drawn from the Capital Reserve created on such conversion to offset the impact on Profit and Loss account.
3. Amount due from Company Secretary of the Company Rs.38,340 (1996 : Rs.284,461). Maximum amount due during the year Rs. 322,580 (1996 : Rs.300,221).
4. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.306,631,237 (1996 : Rs.232,849,485).
5. Contingent liabilities not provided for are in respect of :
- i) Claims against the Company not acknowledged as debts Rs.16,417,072 (1996 : Rs.4,762,871).
- ii) Guarantees given on behalf of subsidiaries Rs.228,000,000 (1996 : Rs.244,500,000); loans outstanding against these guarantees Rs.136,041,000 (1996 : Rs.164,206,000).
- iii) Disputed demand for excise, customs, income tax, sales tax and other matters Rs.154,123,644 (1996 : Rs.122,121,352) of which demand aggregating Rs.138,818,700 (1996 : Rs.45,162,044) stayed by the High Courts/appellate authorities, net of related tax benefits - Rs.101,983,325 (1996 : Rs.79,723,081).
6. The Company has not made provision for excise duty/customs duty on goods manufactured/imported but not cleared Rs.31,807,371 (1996 : Rs.124,121,352) as these are accounted for on clearance of goods. This practice has no impact on the profit for the year.
7. Consequent to the withdrawal of excise rebate previously available for the use of minor oils in the manufacture of vegetable products and the non-applicability of excise duty on final products, the Company is unable to utilise the credit accumulated upto the date of withdrawal of the rebate. As per the policy followed by the Company, such rebate was not accounted for in the books, except for Rs. 5,625,000 (based on estimate of utilisation for the subsequent month). This amount which was shown as receivable in earlier years has been charged off as excise duty in the current year.
8. Sales and services include export incentives Rs.65,537,268 (1996 : Rs.36,270,765).
9. The Company has been contributing a specified percentage of the salary (as per the scheme) towards pension for employees. During the year, on the basis of information received from Life Insurance Corporation of India, Rs. 36,910,343 has been rendered excess out of earlier years' contribution, on account of separation etc., of employees from the Company upto March 31, 1997. This has been recognised in the Profit and Loss account for the year under miscellaneous income.
10. i) Net loss on exchange differences Rs.4,841,925 (1996 : Rs.117,913,335) is included under related heads of income/expenses.
- ii) Forward premia related to the subsequent year and carried forward is Nil (1996 : Rs.11,026,720).



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11. Amount capitalised comprises following revenue expenditure of a capital nature incurred during the year :

	Expenditure during	
	1997	1996
	Rs.000s	Rs.000s
Raw materials, finished goods (including manufactured products) and process stock	30,425	68,542
Stores and spares consumed	996	1,104
Power and fuel	1,088	1,521
Salaries, wages and bonus	1,045	1,775
Contribution to provident and other funds	--	18
Workmen and staff welfare	--	164
Insurance	95	13
Rent	--	61
Carriage and freight	--	84
Advertisement and sales promotion	--	122
Travelling expenses	854	1,122
Miscellaneous	1,351	1,970
Interest on fixed loans	20,923	5,178
	56,777	81,674

12. i) In view of the exemptions available under Section 115JA of the Income Tax Act, 1961, the Company has no liability for Minimum Alternative Tax (MAT).
- ii) On the basis of profit earned for the year, the Company has a foreign tax liability of Rs. 14,100,000 (1996: Rs. 16,500,000) and has a liability for wealth tax of Rs. 725,317 (1996: Rs. 200,000). Further on the basis of assessments in respect of earlier years being concluded, provisions made in earlier years have been rendered surplus to the extent of Rs. 21,070,798 (1996: Rs. 25,674,240), [comprising foreign tax of Rs. 11,070,495 (1996: Nil) and Indian Income Tax of Rs. 10,000,303 (Rs. 25,674,420)]. After considering the tax liability for the year as stated above and the amount rendered excess, the Company has written back the net credit of Rs. 6,245,481 (1996: Rs. 8,974,240) to the Profit and Loss account.

13. i) Computation of net profit in accordance with Section 198 read with Section 349 of the Companies Act, 1956.

	1997	1996
	Rs.000s	Rs.000s
Profit before taxation	629,099	520,369
Add: Depreciation charged in the accounts	216,211	175,823
Managing Director's remuneration	3,828	2,770
Loss on disposal of fixed assets	1,945	3,062
Provision for doubtful debts/advances	62,309	35,997
Profit on sale of fixed assets as per Section 349 (3)(d) (net)	2,612	3,551
	286,905	221,203
	916,004	741,572
Less: Depreciation under Section 350	248,168	212,066
Profit on sale of fixed assets	2,314	3,868
Past service liability for leave benefits	-	51,719
Loss on sale of fixed assets as per Section 349 (3) (d) (net)	670	-
Bad debts written off/adjusted against provision	7,765	11,780
	258,917	279,433
Net Profit under Section 349	657,087	462,139
Managing Director's commission at 0.3%	1,971	1,386

- ii) Remuneration comprises of :

Salary	800	600
Commission	1,971	1,386
Contribution to provident fund	80	60
Pension contribution	617	439
Perquisites	360	285
	3,828	2,770

14. Previous year's figures have been regrouped wherever necessary.



WIPRO LIMITED

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

i) Licenced/registered/installed capacities

		Registered capacity		Installed capacity @	
		1997	1996	1997	1996
Vanaspati/hydrogenated oils	T P A*	144,000	144,000	67,500	67,500
Refined oil	T P A*	18,250	18,250	18,000	18,000
Oxygen gas	Million cubic metres p.a.	1.929	1.932	1.700	1.700
Laundry soaps	Tons per month \$	175	175	-	-
Hydraulic and pneumatic equipment	N P A#	20,000	20,000	40,000	40,000
Tipping gear systems	N P A#	2,750	2,750	3,440	3,440
Toilet soaps	T P A*	35,000	35,000	28,000	28,000
Leather shoe uppers, leather shoes and allied articles thereto	pairs/nos. p.a. in lakhs	11	11	12	12
Fatty acid	T P A*	18,000	18,000	20,000	20,000
Glycerine	T P A*	1,800	1,800	1,800	1,800
GLS lamps	000s	50,000	50,000	50,000	50,000
Fluorescent tubelights	000s	8,139	6,324	8,139	6,324
Mini computers/micro processor based systems and data communication systems	Ex-factory turnover in million rupees p.a.	1,500	1,500	1,500	1,500
Serial printers	Ex-factory turnover in million rupees p.a.	400	400	1,000	1,000
Micro processor based computers & peripherals	N P A#	8,500	8,500	8,500	8,500
Computers and communication boards	N P A#	8,500	8,500	8,500	8,500
Computer software (domestic)	Rupees in million	100	100	-	-

@ Installed capacities are as per certificate given by management on which the auditors have relied.

*TPA indicates tons per annum

#NPA indicates nos. per annum

\$ on per shift basis

ii) Production and sales

		Production		Sales***			
		1997	1996	1997		1996	
				Quantity #	Rs.000s	Quantity #	Rs.000s
Vanaspati/hydrogenated oils	Tons	38,710	43,115	38,366	1,439,574	42,877	1,676,031
Oxygen gas (cubic metres)	000s	344 *	525 *	343	2,484	525	3,874
Cylinders	Nos.	39,110	31,236	37,505	457,169	31,497	449,428
Tipping systems	Nos.	3,693	1,650	3,695	110,491	1,650	45,941
Toilet soaps	Tons	16,230	14,764	16,034	1,062,030	14,887	881,285
Shoe uppers and full shoes (pairs)	000s	392	229	394	134,411	297	80,604
Fatty acids	Tons	12,426 \$	12,765 \$	1,420	39,022	1,101	32,589
Glycerine	Tons	479 \$	536 \$	543	39,777	471	41,935
Lighting products	000s	18,441	22,444	33,016	508,343	27,720	542,561
Mini computers/micro processor based systems	Nos.	32,980 +	26,430 +	35,898	3,434,548	33,860	3,582,601
Serial printers	Nos.	69,359 +	63,138 +	96,763	1,337,828	76,681	1,101,365
Toiletries	Tons			320	55,413	393	50,471
Reagent kits /Spares of analytical instruments	Nos.			12,381	85,273	7,977	84,445
Spares /components for tippers /cylinders				- &	60,587	- &	61,121
Software products					-		185,311
Software services					2,723,679		1,776,579
Agency commission					42,858		120,562
Processing and service charges					553,731		518,099
Miscellaneous sales				- &	543,001	- &	375,972
					12,630,219		11,610,774

includes samples and shortages

*** excludes systems, printers, etc. for internal use.

* includes 707 cubic metres (1996 : 882 cubic metres) used for own consumption.

\$ includes 9,460 tons (1996 : 7,964 tons) used for own consumption and 1,536 tons (1996 : 3,713 tons) for job work.

§ includes 3 tons (1996 : 3 tons) used for own consumption.

+ includes 851 (1996 : 647) systems and 918 (1996 : 139) serial printers for internal use.

& it is not practicable to give quantitative information in the absence of common expressible unit.



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iii) Closing Stocks

		1997		1996	
		Quantity	Rs.000s	Quantity	Rs.000s
Vanaspati/hydrogenated oils	Tons	1,413	47,071	1,069	34,956
Oxygen gas (cubic metres)	000s	1	2	1	2
Cylinders	Nos.	2,190	20,990	585	1,954
Tipping systems	Nos.	-	-	2	41
Toilet soaps	Tons	825	38,609	629	31,097
Shoe uppers and full shoes (pairs)	000s	9	1,905	11	2,147
Fatty acids	Tons	93	2,414	83	1,991
Glycerine	Tons	25	1,422	92	6,065
Lighting products	000s	2,104	52,398	8,677	87,713
Mini computers/micro processor based systems*	Nos.	2,238	141,807	3,152	297,311
Serial printers *	Nos.	5,687	92,039	7,506	154,626
Software products *	Nos.	-	-	-	25,887
Others			19,578		60,865
			418,235		704,655
Closing stock of traded goods					
Toiletries	Tons	57	7,939	72	10,484
Reagent kits /Spares of analytical instruments	Nos.	9,455	21,412	4,928	16,599
			447,586		731,738

* includes traded products; bifurcation between manufactured and traded products not practicable.

iv) Purchases for trading

		1997		1996	
		Quantity	Rs.000s	Quantity	Rs.000s
Toiletries	Tons	305	34,225	348	36,773
Lighting products	000s	3,812	197,599	9,359	356,686
Computer units/printers	Nos.	29,358	1,658,389	24,095	1,451,375
Software products*			146,507		274,685
Reagent kits /Spares of analytical instruments	Nos.	16,908	74,332	9,043	71,923
Spares /components for tippers/Cylinders *			26,154		24,529
			2,137,206		2,215,971

* It is not practicable to give quantitative information in the absence of common expressible unit.

v) Raw materials consumed

		1997		1996	
		Quantity	Rs.000s	Quantity	Rs.000s
Oils and fats	Tons *	52,237	1,357,091	54,556	1,498,406
Tinplates	Tons	1,185	47,352	1,463	54,355
Components for cylinders	#		247,374		224,532
Leather	Sq.ft.(000s)	707	94,084	617	50,759
Components for lighting products	#		148,565		105,557
Peripherals for computers**	#		675,850		866,028
Components for computers	#		1,362,299		1,711,671
Others	#		1,800		33,811
			3,934,415		4,545,119

* includes sales and sludge removed being Nil (1996 : 1 ton) of oil valued at Nil (1996 : Rs.33,678).

it is not practicable to give quantitative information in the absence of common expressible unit.

** includes captive consumption of terminals.



WIPRO LIMITED

vi) Value of imported and indigenous materials consumed

	1997		1996	
	%	Rs.000s	%	Rs.000s
Raw materials				
Imported	39.6	1,557,331	45.8	2,083,401
Indigenous	60.4	2,377,084	54.2	2,461,718
	<u>100.0</u>	<u>3,934,415</u>	<u>100.0</u>	<u>4,545,119</u>
Stores and spares				
Imported	1.3	4,760	3.0	9,324
Indigenous	98.7	356,647	97.0	299,223
	<u>100.0</u>	<u>361,407</u>	<u>100.0</u>	<u>308,547</u>

vii) Value of imports on CIF basis

(excluding value of imported items locally purchased)

Raw materials, components and peripherals	2,002,738	2,373,206
Stores and spares	47,794	22,061
Capital goods	292,729	119,985
Others	49,272	323,946
	<u>2,392,533</u>	<u>2,839,198</u>

viii) Expenditure in foreign currency

Travelling	872,893	616,837
Interest	1,035	1,649
Royalty	5,989	3,361
Professional fees	2,842	6,733
Others	195,597	109,377
	<u>1,078,356</u>	<u>737,957</u>

ix) Earnings in foreign exchange

Export of goods on F.O.B. basis *	172,080	175,312
Services	2,607,628	1,664,697
Agency commission	116,936	72,018
Others	2,537	79,918
	<u>2,899,181</u>	<u>1,991,945</u>

* includes exports on rupee currency basis



WIPRO LIMITED

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND THE COMPANY'S GENERAL BUSINESS PROFILE
I. Registration Details

Registration No.	20800	State Code	08
Balance Sheet date	March 31, 1997		

II. Capital raised during the year

Public issue	Nil
Rights issue	Nil
Bonus issue	Nil
Private placement	Nil

III. Position of mobilisation of and deployment of funds (Rs.000s)

Total liabilities	6,643,908	Total assets	6,643,908
Sources of funds		Application of funds	
Paid-up capital	152,771	Net fixed assets	3,029,452
Reserves and surplus	3,518,616	Investments	579,191
Secured loans	2,730,872	Net current assets	3,035,265
Unsecured loans	241,649	Miscellaneous expenditure	--
		Accumulated losses	--

IV. Performance of the Company (Rs.000s)

Turnover	12,814,923
Total expenditure	12,185,824
Profit before tax	629,099
Profit for the year	635,344
Earnings per share	42
Dividend	25 %

V. Generic names of three principal products/services of the Company (as per monetary terms)

i) Item code no. (ITC Code)	84714900.10
Product description	Computer systems including personal computers and units thereof
ii) Item code no. (ITC Code)	85245309.10
Product description	Computer software
iii) Item code no. (ITC Code)	15162009.10
Product description	Hydrogenated vegetable oils

For and on behalf of the Board of Directors

Azim Hasham Premji (Chairman and Managing Director)

Hamir K. Vissanji (Director)

S. C. Senapaty
(Corporate Executive Vice President-Finance)

Satish Menon
(Company Secretary and Corporate Counsel)

Bangalore, August 1, 1997



WIPRO LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 1997

	Rs.000s	1997 Rs.000s	1996 Rs.000s
A. Cash flow from operating activities			
Net profit before tax and extraordinary items		629,099	520,369
Adjustments for :			
Depreciation	216,211		175,823
Foreign exchange fluctuation	1,715		19,337
Leave benefits provision	7,505		30,747
Gratuity provision	225		649
Interest on borrowings	599,290		420,670
Dividend/interest/bills discounting income	(34,860)		(51,940)
Profit on sale of fixed assets (net)	(369)		(806)
		<u>789,717</u>	<u>594,480</u>
Operating profit before working capital changes		<u>1,418,816</u>	<u>1,114,849</u>
Adjustments for :			
Trade and other receivables	(153,893)		(1,022,196)
Inventories	317,486		(692,046)
Trade and other payables	(279,096)		856,405
		<u>(115,503)</u>	<u>(857,837)</u>
Cash generated from operations		<u>1,303,313</u>	<u>257,012</u>
Direct taxes paid		<u>(42,048)</u>	<u>(52,409)</u>
Cash flow before extraordinary items		<u>1,261,265</u>	<u>204,603</u>
Extraordinary items		-	-
NET CASH FROM OPERATING ACTIVITIES		<u>1,261,265</u>	<u>204,603</u>
B. Cash flow from investing activities			
Purchase of fixed assets		(700,864)	(578,600)
Sale/disposal of fixed assets		9,492	12,926
Purchase of investments (net)		(33,872)	(239,910)
Dividends received		25,040	41,923
Interest received/bills discounting income		9,820	10,017
NET CASH USED IN INVESTING ACTIVITIES		<u>(690,384)</u>	<u>(753,644)</u>
C. Cash flow from financing activities			
Capital subsidy received		4,125	1,000
Proceeds from borrowings (net)		103,821	980,065
Interest paid		(622,081)	(412,077)
Dividend paid		(38,193)	(38,193)
NET CASH USED IN FINANCING ACTIVITIES		<u>(552,328)</u>	<u>530,795</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		<u>18,553</u>	<u>(18,246)</u>
CASH AND CASH EQUIVALENTS AS AT APRIL 1, 1996		<u>231,107</u>	<u>249,353</u>
CASH AND CASH EQUIVALENTS AS AT MARCH 31, 1997		<u>249,660</u>	<u>231,107</u>

For and on behalf of the Board of Directors

Azim Hasham Premji (Chairman and Managing Director)**Hamir K. Vissanji** (Director)**S. C. Senapaty**

(Corporate Executive Vice President-Finance)

Satish Menon

(Company Secretary and Corporate Counsel)

Bangalore, August 1, 1997

AUDITOR'S CERTIFICATE

We have examined the above cash flow statement of Wipro Limited for the year ended March 31, 1997. The statement has been prepared by the Company in accordance with the requirement under Clause 32 of the Listing Agreement with Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss account and Balance Sheet of the Company for the year ended March 31, 1997.

For N. M. Raiji & Co.

Chartered Accountants

J. M. Gandhi

Partner

Mumbai, August 5, 1997



WIPRO LIMITED

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

Name of the Subsidiary	Wipro Finance Limited	Wipro Investment Limited	Inlec Investment Limited	Wipro Acer Limited	Wipro Factors Limited	Wipro Securities Limited
1 Financial year of the subsidiary ended on	March 31, 1997	March 31, 1997	March 31, 1997	March 31, 1997	#	#
2 Number of shares in the subsidiary held by Wipro Limited on the above date:						
i Equity shares of Rs. 10 each	25,476,188	200	200	3,299,945	66,171	21,180
ii. 9% cumulative redeemable preference shares of Rs. 10 each	-	1,800	-	-	-	-
iii. Extent of holding						
3. Net aggregate amount of the profits / (losses) of the subsidiary company so far as it concerns the members of Wipro Limited:	94.64%	100%	100%	55%	100%	100%
	Rs. 000s	Rs. 000s	Rs. 000s	Rs. 000s	Rs. 000s	Rs.000s
i. Dealt with in the accounts of Wipro Limited for the year ended March 31, 1997						
a. For the subsidiary's financial year ended March 31, 1997	Nil	Nil	Nil	N.A.	N.A.	N.A.
b. For the previous financial years of the subsidiary since it became a subsidiary of Wipro Limited	Nil	Nil	Nil	N.A.	N.A.	N.A.
ii. Not dealt with in the accounts of Wipro Limited for the year ended March 31, 1997						
a. For the subsidiary's financial year ended March 31, 1997	2,603	(20)	3	(20,418)	N.A.	N.A.
b. For the previous financial years of the subsidiary since it became a subsidiary of Wipro Limited	325,886	(70)	1,083	Nil	N.A.	N.A.

The first accounting year will end after March 31, 1997

For and on behalf of the Board of Directors

Azim Hasham Premji (Chairman and Managing Director)

Hamir K. Vissanji (Director)

S. C. Senapaty

(Corporate Executive Vice President-Finance)

Satish Menon

(Company Secretary and Corporate Counsel)

Bangalore, August 1, 1997



ANNEXURE TO THE DIRECTORS' REPORT

FORM A

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. POWER AND FUEL CONSUMPTION

		1996-97	1995-96
1. Electricity			
a) Purchased			
Unit	KWH	18,794,637	17,054,124
Total amount	Rs.	54,859,083	48,869,641
Rate/Unit	Rs.	3.45	2.86
b) Own generation			
Through diesel generator			
Unit	KWH	668,195	553,387
Unit/litre of diesel oil	KWH	2.97	2.60
Cost/Unit	Rs.	3.43	3.25
2. Coal *(including coconut shells)			
Quantity	Tonnes	18,135	9,312
Total cost	Rs.	27,231,071	13,153,734
Average rate	Rs.	1501.58	1412.56
3. Furnace oil			
Quantity - LDO	Lts.	1,454,158	681,362
Total cost	Rs.	12,295,638	4,474,219
Average rate	Rs.	8.46	6.57
Quantity - H.S.D.	Lts.	225,000	0
Total cost	Rs.	1,688,974	0
Average rate	Rs.	7.51	0.00
Quantity - LSHS	Lts.	105,753	0
Total amount	Rs.	637,678	0
Average rate	Rs.	6.03	0.00
4. L.P.G.			
Quantity	Kgs.	443,853	303,090
Total cost	Rs.	7,146,033	4,179,611
Average rate	Rs.	16.1	13.79

B. CONSUMPTION PER UNIT PRODUCTION

Vanaspati	Electricity (KWH/Tonne)	Liquid diesel oil (Litres/Tonne)	Coal (Tonnes/Tonne)
1996-97	307.18	9.87	0.25
1995-96	359.47	15.80	0.22
G.L.S.	Electricity (KWH/1000 GLS)	Liquid diesel oil (Litres/Tonne)	L.P.G. (KG/1000 GLS)
1996-97	29.21	-	7.83
1995-96	40.07	-	7.83
F.T.L.	Electricity (KWH/1000 FTL)	Liquid diesel oil (Litres/Tonne)	L.P.G. (KG/1000 FTL)
1996-97	391.3	-	50.61
1995-96	899.24	-	96.97
F.C.L.	Electricity (KWH/1000 FTL)	Liquid diesel oil (Litres/Tonne)	L.P.G. (KG/1000 FTL)
1996-97	3089.94	-	1642.9
1995-96	-	-	-



WIPRO FINANCE LIMITED

DIRECTORS' REPORT

The Directors present their Annual Report of Wipro Finance Limited for the year 1996-97.

Financial Highlights

	(Rs. millions)	
	1996-97	1995-96
Gross income	992.42	845.36
Profit before tax	11.61	167.57
Profit after tax	10.07	167.57

Business

The gross disbursements during the year towards lease / hire purchase amounted to Rs. 1120 million and the volume of trade bills discounted was Rs. 2522 million.

Fixed deposits

The Company has a fixed depositor base of over 49,000 depositors and the fixed deposits from the public at the end of the year were Rs. 751.26 million. As on March 31, 1997, 449 deposits aggregating to Rs. 6.37 million were unclaimed. Steps are being taken to expedite refund / renewal of these deposits.

Directors

Mr. D. K. Ranjekar, a director of the Company, retires by rotation and being eligible, offers himself for reappointment.

Auditors

The auditors, M/s. A.F. Ferguson Associates retire at the conclusion of the ensuing Annual General Meeting and offer themselves for reappointment.

Acknowledgement

The Directors wish to place on record their appreciation of the co-operation and assistance received from the banks and financial institutions. The directors thank the customers and depositors for their continued support.

Employees

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, is furnished in a separate statement forming part of this report.

Conservation of Energy / Technology Absorption, Research and Development / Foreign Exchange Earnings and Outgoings:

- Foreign Exchange outgo on account of interest and finance charges, foreign travel etc. Rs. 35.06 million.
- The Company has nothing else to report on the particulars required under Section 217(1) (e) of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

On behalf of the Board

Place : Bangalore
Date: July 30, 1997

Azim H. Premji
Chairman



REPORT OF THE AUDITORS TO THE MEMBERS OF WIPRO FINANCE LIMITED

We have audited the attached Balance Sheet of Wipro Finance Limited as at 31st March, 1997, and also the Profit and Loss account of the Company for the year ended on that date annexed thereto and report that:

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable to the Company.
2. Further to our comments in the annexure referred to in paragraph 1 above
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books;
 - c) the Balance Sheet and Profit and Loss account dealt with by this report are in agreement with the books of account;
 - d) in our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view;
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1997; and
 - ii) in the case of the Profit and Loss account, of the profit for the year ended on that date.

**For A.F. Ferguson Associates
Chartered Accountants**

Place: Mumbai
Date: July 31, 1997

**F. N. PAVRI
Partner**

ANNEXURE REFERRED TO IN PARAGRAPH I OF THE AUDITORS' REPORT TO THE MEMBERS OF WIPRO FINANCE LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1997.

1. The Company has generally maintained proper records showing full particulars including quantitative details and situation of its fixed assets. Certain leased assets were physically verified by the management and necessary adjustments have been made in the books of accounts for the discrepancies noticed on such verification. In our opinion the frequency of verification is reasonable having regard to the size of the Company and nature of its fixed assets.
2. Some of the fixed assets, namely land, buildings and electrical equipments have been revalued as at 31st March, 1997, at current replacement values on the basis of a valuation made by a professional valuer. The difference on revaluation have been separately disclosed in the accounts.
3. The Company has not taken / granted any loans, secured or unsecured from/to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, and from / to companies under the same management as defined under Section 370 (1-B) of the Companies Act, 1956, where the rate of interest and other terms and conditions are prima facie

prejudicial to the interest of the Company.

4. According to the information and explanations given to us, in respect of loans and advances in the nature of loans given by the Company, where stipulations have been made, the parties are generally repaying the principal amounts as stipulated or as rescheduled from time to time and are also generally regular in the payment of interest where applicable except in respect of certain parties where the Company has taken reasonable steps for recovery.
5. In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of assets and sale of goods.
6. In our opinion and according to the information and explanations given to us, the transactions of purchase and sale of goods and sale of services made from / to parties entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000 or more have been made at prices which are reasonable having regard to the nature of the transactions.
7. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and provisions of Section 58A of the Companies Act, 1956 and the rules framed thereunder, with regard to the deposits accepted from the public.
8. In our opinion, the Company has an internal audit system which is generally commensurate with the size and nature of the Company's business.
9. In our opinion, the Company is regular in depositing provident fund dues with the recognised Provident Fund Trust. We are informed that the provisions of Employees State Insurance Act, 1948, are applicable to the Company with effect from 1st January, 1997. The contributions have been regularly deposited with the appropriate authority.
10. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding as on 31st March, 1997, for a period of more than six months from the date they became payable.
11. According to the information and explanations given to us, no personal expenses have been charged to revenue account.
12. There is no stock of traded goods except shares and hence the question of determination and provision for damaged goods does not arise.
13. As informed to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
14. The provisions of any special statute applicable to chit fund, nidhi or mutual benefit society do not apply to the Company.
15. We are informed that the Company has not dealt in or traded in securities, debentures and other investment during the year except in equity shares in respect of which the Company has maintained proper records of transactions and contracts and we are informed that timely entries have been made therein. The shares are held in the Company's name.

**For A.F. Ferguson Associates
Chartered Accountants**

Place: Mumbai
Date: July 31, 1997

**F. N. PAVRI
Partner**



WIPRO FINANCE LIMITED

BALANCE SHEET AS AT MARCH 31, 1997

	Schedule	Rs.000s	1997 Rs.000s	1996 Rs.000s
SOURCES OF FUNDS				
Shareholders' funds				
Share capital	1	269,190		257,762
Reserves and surplus	2	500,900		483,023
			770,090	740,785
Share Application Money (pending allotment)			-	20,000
Advance against equity (see note 5)			5,000	5,000
Loan funds				
Secured loans	3	1,962,969		1,676,064
Unsecured loans	4	1,590,699		1,017,540
			3,553,668	2,693,604
			4,328,758	3,459,389
APPLICATION OF FUNDS				
Fixed assets				
Gross block	5	1,883,520		1,626,039
Less: Depreciation		574,627		349,132
Net block			1,308,893	1,276,907
Capital work in progress and advances			72,254	42,787
			1,381,147	1,319,694
Investments				
	6		185,276	148,035
Current assets, loans and advances				
Stock on hire		1,752,706		1,746,185
Stock in trade		2,313		4,777
Cash and bank balances	7	36,142		40,217
Sundry debtors	8	384,891		153,259
Loans and advances	9	805,427		370,792
		2,981,479		2,315,230
Less: Current liabilities and provisions	10	219,144		323,570
Net current assets			2,762,335	1,991,660
			4,328,758	3,459,389
Notes to accounts	15			
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 1997				
INCOME				
Income from main activities	11		947,482	814,095
Other income	12		44,942	31,267
			992,424	845,362
EXPENDITURE				
Interest and other charges	13		515,344	400,347
Administrative and other expenses	14		191,156	66,757
Depreciation			274,313	210,685
			980,813	677,789
PROFIT FOR THE YEAR				
			11,611	167,573
Provision for tax			1,538	-
PROFIT AFTER TAX				
			10,073	167,573
Tax relating to earlier years [refer note 4 (e)]			7,325	-
Other prior period item			-	1,335
			2,748	166,238
Add: Balance brought forward			297,786	165,995
BALANCE OF PROFIT			300,534	332,233
APPROPRIATIONS				
Transfer to Contingency Reserve			-	15,000
Interim Dividend (subject to deduction of tax)			-	19,447
			-	34,447
Balance carried forward			300,534	297,786
Notes to accounts	15			

As per our report attached
For A. F. FERGUSON ASSOCIATES
Chartered Accountants

F. N. Pavri
Partner
Mumbai, July 31, 1997

Vidya Sarathy (Company Secretary)

For and on behalf of the Board of Directors
Azim Hasham Premji (Chairman)
S. C. Senapaty (Director)
D. K. Ranjekar (Director)
S. R. Gopalan (President)

Bangalore, July 30, 1997



WIPRO FINANCE LIMITED

	Current year Rs. 000s	Previous year Rs. 000s
SCHEDULE 1 SHARE CAPITAL		
Authorised		
30,000,000 (Previous year 30,000,000) ordinary shares of Rs.10 each	300,000	300,000
2,500,000 17% cumulative redeemable preference shares of Rs. 10 each	25,000	25,000
	325,000	325,000
Issued, subscribed and paid-up		
26,919,045 (Previous year 25,776,188) ordinary shares of Rs. 10 each	269,190	257,762
25,476,188(previous year : 25,476,188) ordinary shares of Rs.10 each are held by Wipro Limited, the holding company		
SCHEDULE 2 RESERVES AND SURPLUS		
Share premium account		
As per last Balance Sheet	145,237	80,952
Received during the year	8,572	64,285
	153,809	145,237
Capital redemption reserve		
As per last Balance Sheet	25,000	25,000
Revaluation reserve		
(Added during the year)	6,557	--
Contingency reserve		
As per last balance sheet	15,000	--
Transferred from Profit and Loss account	--	15,000
	15,000	15,000
Profit and Loss Account	300,534	297,786
	500,900	483,023
SCHEDULE 3 SECURED LOANS		
Foreign currency Loan from Commonwealth Development Corporation, UK	293,512	129,103
Term loans from financial institutions	944,881	750,948
Other loans	24,912	8,673
(Interest accrued and due Rs. nil. Previous year Rs. 85,570)		
(The above loans are secured by hypothecation of specific assets given on hire purchase and lease)		
From Banks	699,664	787,340
(Secured by hypothecation of receivables and specific assets of the Company, relating to hirepurchase and lease transactions).		
	1,962,969	1,676,064
SCHEDULE 4 UNSECURED LOANS		
Fixed deposits	751,266	291,610
Privately placed bonds*	32,090	-
Zero Coupon Non Convertible		
Debentures of Rs. 100/- each	-	100,000
Short term loans and advances		
Other than from banks	302,512	122,750
Other Loans and Advances		
Other than from banks	504,831	503,180
	1,590,699	1,017,540

* redeemable over a period between 1 to 3 years.



SCHEDULE 5 FIXED ASSETS

Rs. 000s

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	At at 1.04.96	Additions at cost	Addition on Revaluation	Deductions/ Adjustments	As at 31.03.97	Upto 1.04.96	For the Year	Deductions/ Adjustment on Adjustments Revaluation	Upto 31.03.97	As at 31.03.97	As at 31.03.96
Assets on lease											
Plant and machinery	1,318,160	372,687	--	293,638	1,397,209	265,618	209,971	48,750	426,839	970,370	1,052,542
Furniture and fixtures	8,504	--	--	--	8,504	6,602	1,826	--	8,428	76	1,902
Data processing equipments	233,952	93,356	--	4,088	323,220	72,126	51,033	13	123,146	200,074	161,826
Vehicles	12,017	67,851	--	1,772	78,096	2,704	9,007	258	11,453	66,643	9,313
Sub total	1,572,633	533,894	--	299,498	1,807,029	347,050	271,837	49,021	669,866	1,237,163	1,225,583
Other Assets											
Land	23,514	3,190	4,806	945	30,555	--	--	--	--	30,555	23,514
Buildings	19,610	9,261	1,734	--	30,605	141	349	--	883	29,722	19,469
Plant & machinery	--	--	--	--	--	--	--	--	--	--	--
Furniture and fixtures	1,806	1,578	--	19	3,365	385	244	2	627	2,738	1,421
Electrical equipments	1,979	1,040	310	14	3,315	358	123	1	380	2,935	1,621
Data processing equipments	3,342	1,681	--	--	5,023	1,002	888	--	1,890	3,133	2,340
Vehicles	3,155	935	--	472	3,618	196	872	87	981	2,637	2,959
Sub total	53,406	17,685	6,850	1,450	76,491	2,082	2,476	90	4,761	71,730	51,324
Total	1,626,039	551,579	6,850	300,948	1,883,520	349,132	274,313	49,111	574,627	1,308,893	--
Previous year	898,805	830,631	--	103,397	1,626,039	146,693	210,685	8,246	349,132	--	1,276,907
Capital work in progress and advance										72,254	42,787
										1,381,147	1,319,694

Net exchange difference added to the cost of fixed assets is Rs. 24,604,418 (Previous year: Rs. Nil)



Current year Rs. 000s	Previous year Rs. 000s
--------------------------	---------------------------

SCHEDULE 6 INVESTMENTS (AT COST)**LONG TERM****Non-trade Investments****Quoted**

127,563 (Previous Year: 127,563) Mastershares of
Unit Trust of India (Market value Rs. 1,651,941
Previous year : Rs. 1,671,130)

2,457	2,457
-------	-------

Unquoted

1. Government of India Bonds		
12.75% GOI(1996) Bonds of face value Rs.25,000,000 (Sold during the year)	-	24,832
13.65% GOI(1998) Bonds of face value Rs.20,000,000	20,100	20,100
11.55% GOI(2002) Bonds of face value Rs. 7,500,000	6,788	6,788
Five Year Indira Vikas Patra	11	11
Five and half year Kisan Vikas Patra	25,000	25,000
Mahanagar Telephone Nigam Limited Bonds *	30,000	-
(300 nos of Rs. 100,000 each)		
Himachal Pradesh State Forest Corporation Limited Bonds*	7,500	-
(75 nos of Rs. 100,000 each)		
Himachal Pradesh State Electricity Board Bonds *	15,000	-
(150 nos of Rs. 100,000 each)		
Rajasthan State Electricity Board Bonds *	10,000	-
(100 nos of Rs. 100,000 each)		
2. 771,773 units of unit Trust of India unit 64 (Previous year : 701,499 units) 70,274 bonus units received during the year. (Repurchase Value: Rs. 12,039,655; Previous year : Rs. 11,155,488)	12,045	12,045
3. Unit Trust of India - Venture Capital Unit Scheme 2; 13,500 units of Rs. 100 each (Previous year 15,000; 1500 units redeemed during the year)	2,179	2,599
	131,080	93,832

Trade Investments**Unquoted**

1. 100,000 equity shares of Rs.10 each in Paneul Elastomers and Epoxies Limited	1,000	1,000
2. 70,500 equity shares of Rs.10 each in Shaily Engineering Plastics Limited	2,503	2,503
3. 200,000 equity shares of Rs.10 each in Wonder Wear Limited	10,000	10,000
4. 450,000 equity shares of Rs.10 each in Kumar Cottex Limited (listed during the year and consequently classified under quoted trade investments)	-	4,500
5. 1,000,000 16.5% redeemable convertible preference shares of Rs.10 each in Wonder Wear Limited	10,000	10,000
6. 50,000 equity shares of Rs. 10 each in Global Procurement Limited *	500	-
	24,003	28,003
Less: provision for diminution in value of investments	5,000	-
	19,003	28,003



WIPRO FINANCE LIMITED

SCHEDULE 6 INVESTMENTS (AT COST) (contd.)	Current year Rs. 000s	Previous year Rs. 000s
Quoted		
1. 25,000 equity shares of Rs.10 each in ICNET Limited	750	750
2. 10,000 equity shares of Rs.10 each in HDFC Bank Limited (sold during the year)	-	100
3. 100,000 equity shares of Rs.10 each in Lotus Chocolate Limited	2,000	2,000
4. 10,000 equity shares of Rs.10 each in Papillon Exports Limited	540	540
5. 24,500 equity shares of Rs.10 each in Balaji Amines Limited	980	980
6. 16,000 equity shares of Rs.10 each in Industrial Development Bank of India Limited (sold 54000 equity shares during the year)	2,080	9,100
7. 256,000 equity shares of Rs.10 each in Mold-Tek Plastics Limited (Conversion of 60000 FCD into 165600 equity shares during the year. See item (11) below)	7,668	4,068
8. 21,415 equity shares of Rs.10 each in Transgene Biotek Limited	642	642
9. 367,000 equity shares of Rs.10 each in Vibrant Investments and Properties Limited	3,670	3,670
10. 12,500 equity shares of Rs.10/- each in Sathyam Computers Limited (previous year: 12,500 fully convertible debentures of Rs.60 each converted to equity shares during the year)	750	750
11. 60,000 fully convertible debentures of Rs.60 each Mold-Tek Plastics Limited (Converted into equity shares. Refer item 7 above)	-	3,600
12. 700 equity shares of Rs.10/- each in Kripa Chemicals Ltd, *	53	-
13. 162,000 equity shares of Rs.10/- each in Kothari Petro Chemicals Ltd. *	1,620	-
14. 19,568 equity shares of Rs.100/- each in Cipla Limited.*	13,111	-
15. 450,000 equity shares of Rs. 10 each in Kumar Cottex Limited (disclosed as unquoted during the previous year)	4,500	-
	38,364	26,200
(Total Market Value of Quoted Investments : Rs.23,554,546 ; Previous year Rs.16,577,090)		
Less : provision for diminution in value of investments	3,171	-
	35,193	26,200
* Acquired during the year	185,276	148,035



WIPRO FINANCE LIMITED

	Current year Rs. 000s	Previous year Rs. 000s
SCHEDULE 7 CASH AND BANK BALANCES		
Cash on hand	171	105
Cheques on hand	19,641	4,803
Bank balances with scheduled banks		
Current account	11,078	29,655
Deposit account	5,252	5,654
	<u>36,142</u>	<u>40,217</u>
SCHEDULE 8 SUNDRY DEBTORS		
Secured		
Over 6 months		
Considered good	102,588	-
Considered doubtful	33,905	-
Others (considered good)	261,318	104,295
	<u>397,811</u>	<u>104,295</u>
Less: Provision for doubtful debts	33,905	-
	<u>363,906</u>	<u>104,295</u>
Add: Receivable under Instalment sale (not due)	20,985	48,964
	<u>384,891</u>	<u>153,259</u>
SCHEDULE 9 LOANS AND ADVANCES		
Unsecured		
Bills of exchange		
Considered good	505,423	236,036
Considered doubtful	56,580	13,663
	<u>562,003</u>	<u>249,699</u>
Less: Provision	56,580	13,663
	<u>505,423</u>	<u>236,036</u>
Advances recoverable in cash or in kind or for value to be received - considered good [Net of Rs. 16,988,523 Previous year : Rs. 1,988,523 considered doubtful for which provision has been made].	286,842	134,756
Tax payments (net of provision)	13,162	-
	<u>805,427</u>	<u>370,792</u>
SCHEDULE 10 CURRENT LIABILITIES AND PROVISIONS		
A. Current liabilities		
Acceptances	-	20,000
Sundry creditors	46,724	173,196
Other liabilities	123,941	85,648
Interest accrued but not due	38,059	41,826
	<u>208,724</u>	<u>320,670</u>
B. Provisions		
Gratuity and pension	2,314	1,025
Contingencies	8,106	1,875
	<u>10,420</u>	<u>2,900</u>
	<u>219,144</u>	<u>323,570</u>



WIPRO FINANCE LIMITED

	Current year Rs. 000s	Previous year Rs. 000s
SCHEDULE 11 INCOME FROM MAIN ACTIVITIES		
Lease rental income	481,935	384,742
Hire purchase income	378,717	330,507
Income from marketing of financial information product	1,646	-
Income from discounting activity (Net) (Net of Interest tax Rs.: 2,410,483; Previous year : Rs. 1,038,777)	24,857	45,265
Income from Merchant Banking	1,254	6,152
Income from trade investments (Tax deducted at source Rs.565,111; Previous year : Rs. 297,288)	2,677	1,760
Profit on sale of investments (Net)	30	23,072
Income from other investments (Tax deducted at source Rs. 2,107,971; Previous year : Rs. 1,286,790)	15,136	12,204
Interest from inter corporate deposits placed etc., (Tax deducted at source Rs.9,004,178 ; Previous year Rs. 1,518,147)	41,230	10,393
	947,482	814,095
SCHEDULE 12 OTHER INCOME		
Service charges	12,518	11,312
Profit on sale of assets	-	15,848
Miscellaneous Income	32,424	4,107
	44,942	31,267
SCHEDULE 13 INTEREST AND OTHER CHARGES		
Interest and finance charges		
on Fixed loans	291,434	198,842
on others	188,552	167,213
Bank charges	1,232	3,082
Premium on redemption of debentures	924	21,621
Lease rental charges	30,728	9,589
Premium on redemption of bonds	2,474	-
	515,344	400,347
SCHEDULE 14 ADMINISTRATIVE AND OTHER EXPENSES		
Salaries	12,955	8,378
Contribution to provident fund	585	395
Contribution to pension fund	630	472
Gratuity	1,097	154
Staff welfare	356	489
Advertisement expenses	5,959	8,222
Rent	1,588	2,429
Repairs and maintenance	817	161
Electricity	882	560
Rates and taxes	2,131	3,626
Insurance	526	390
Exchange difference	11,135	-
Provision for doubtful debts and advances	91,822	12,894
Provision for diminution in value of investments	8,171	-
Provision for contingencies	6,231	(5)
Bad debts written off	11,761	--
Loss on sale of assets (net)	374	--
Miscellaneous expenses	34,136	28,592
	191,156	66,757



SCHEDULE 15 NOTES TO ACCOUNTS

1. STATEMENT OF ACCOUNTING POLICIES

The accounts are prepared under the historical cost convention except for revaluation of certain fixed assets and materially comply with the mandatory accounting standards issued by the Institute of Chartered Accountants of India. The significant accounting policies followed by the Company are as stated below :

A) Revenue recognition

- Hire purchase income is recognised on accrual basis and is calculated by applying the interest rate implicit in the hire purchase agreements. Lease rental income is recognised on due basis. Lease, hire purchase rentals outstanding for more than 7 months are not recognised as income. For depreciation on leased assets see note 1(B)(iii) below.
- Income from bill discounting activity is recognised on accrual basis.
- Delayed payment charges from the customers are recognised on receipt basis.
- Service charges are considered as income on the dates they fall due as per the relevant contracts.
- While applying revenue recognition policies, adequate care is taken to comply with the Reserve Bank of India's circular dated 13th June, 1994 with regard to prudential norms for income recognition.

B) Fixed assets

- Fixed assets are valued at original cost except as stated below. Costs include all direct costs attributable to acquisition, installation and commissioning. Certain assets have been revalued as at 31st March, 1997 and the resultant surplus has been added to the cost of the assets. (See note 2).
- Depreciation on assets for own use is computed on straight line method from the month the assets have been acquired / commissioned. The rates adopted are as follows :

	Rates of Depreciation	
	Adopted in Current Year	Schedule XIV
	%	%
Buildings	1.63	1.63
Electrical equipment	4.75	4.75
Furniture and fixtures	9.50	6.33
Vehicles	24.00	9.50
Data processing equipments	19.00	16.21
Assets costing less than Rs 5000	100.00	100.00

- Depreciation on leased assets is equal to the annual lease charge. Under this method, the financing is computed by applying the interest rate implicit in the lease and the difference between the lease rent and the finance earning is charged as depreciation so that the cost of leased assets is depreciated over the lease period. Such depreciation is more than the depreciation required to be provided as per Schedule XIV of the Companies Act, 1956.

C) Investments

Long term investments are stated at cost less permanent diminution in value, if any.

D) Stock

Stock on hire is arrived at by reducing proportionate capital repayment from the cost of assets. Stock-in-trade representing current investment is valued at the lower of cost and market value.

E) Borrowing costs

Front end charges are accounted on receipt of funds. Brokerage on fixed deposits is recognised over the period of the deposit but in any case not exceeding two years.

F) Retirement benefits

- Contribution to provident fund and pension fund is made at pre-determined rates to the respective funds. In view of the small number of employees, the provision for gratuity for the year has been computed on arithmetical basis.
- Provision for leave salary has been made on actuarial basis.

G) Foreign currency transactions

Foreign currency transactions are recorded at the spot rate at the beginning of the month of transactions. Year end balances of assets and liabilities in foreign currency are re-stated at closing rates / forward contract rates as applicable. Resultant differences on liabilities relating to acquisition of fixed assets are capitalised. Other differences are charged to the revenue account.

H) Provision for contingencies

Provision for contingencies represents provision against net leased assets and stock on hire.

- Fixed assets (other than leased assets, furniture and fixtures, data processing equipments and vehicles) have been revalued as at March 31, 1997 at current replacement values based on valuation made by an independent professional valuer. The resultant surplus on such revaluation over the written down value of these assets amounting to Rs. 65,56,970 has been credited to the revaluation reserve.
- Amount due from an Officer of the Company Rs 17,350 (Previous year : Rs Nil) Maximum amount due during the year Rs 25,000 (Previous year : Nil)



4. a) Contingent Liabilities are in respect of :
 Bills discounted Rs. 434,167,936 (Previous year : Rs. 435,531,817)
 (Since realised Rs. 358,215,713); (Previous year Rs. 404,602,103)
 In case of default by the acceptor of the bill, the Company has recourse to the drawer.
- Claims against the Company not acknowledged as debts - Rs. 17,807,541
 (Previous year : Rs. 42,417)
- Guarantees given in the normal course of business Rs. 149,454,672
 (Previous year: Rs. 156,043,716)
- b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 10,318,774
 (Previous year : Rs. 34,424,958)
- c) Underwriting and other commitments Rs. Nil (Previous year : Rs. 10,130,000)
- d) Sales tax, if any, on account of lease transactions is recoverable from the parties concerned as per the agreements entered into by the Company and accordingly no provision has been made in the accounts in this regard.
- e) Pursuant to a notice issued under Section 158BC of the Income-tax Act 1961 (Act), the Company has filed its Return of Income for the Block period under Chapter XIV-B of the Act. While contending that the Company is not liable to any tax for the block period, as a measure of abundant caution, a sum of Rs. 7,324,506 has been paid and also provided in the accounts. Based on the advise received from the experts, the Company is confident that there will not be any further liability on this account.
5. Advance against equity is secured by hypothecation of specific assets given on lease or hire purchase. The said amount has been refunded in April 1997.

	Current year Rs.000s	Previous year Rs.000s
--	-------------------------	--------------------------

6. Expenditure in foreign currency :		
i) Travelling	83	141
ii) Interest and finance charges	33,994	-
iii) Others	982	-
7. Value of Imports on CIF basis		
i) Capital Goods	3,140	14,409
ii) Stock on hire	16,383	19,375
8. Service charges included in Other income is net of service charges paid relating thereto Rs. Nil (Previous year : Rs. 1,676,467)		
9. Miscellaneous expenses include :		
Auditors' Remuneration		
Audit fees	350	250
Taxation matters	20	10
Other services	20	150
Out of pocket expenses	34	31
10. i) Managerial remuneration		
Salary	831	--
Allowances	832	--
Perquisites	305	--
Contribution to provident, pension and other funds	212	--
	<u>2,180</u>	--

The above remuneration includes a sum of Rs 411,080 subject to approval by the shareholders at the forthcoming Annual general meeting.



ii) Computation of net profit in accordance with Section 198 read with Section 349 of the Companies Act, 1956

	Rs.000s
Profit before taxation	11,611
Add : Depreciation charged to accounts	274,313
Manager's remuneration	2,180
Loss on disposal of fixed assets (Net)	374
Profit on sale of fixed assets as per Section 349(3)(d)	317
Provision for diminution in value of investments	8,171
	<u>285,355</u>
	296,966
Less : Depreciation under Section 350	236,884
Profit on sale of investments (net)	30
Loss on sale of fixed assets as per Section 349(5)(d)	5,350
	<u>242,264</u>
Net profit under Section 349	<u>54,702</u>

11. The Company has been legally advised that interest tax is not applicable to hire purchase transactions entered into by the Company.

12. Miscellaneous expenses include loss on sale of equity shares held as stock-in-trade Rs 510,683 (Previous year Rs 496,330).

13. (a) Particulars in respect of Purchases, Sales, Opening and Closing Stock of equity shares :

	Year ended March 31, 1997		Year ended March 31, 1996	
	Quantity	Rs. 000s	Quantity	Rs'000s
i) Purchases during the year	127,800	13,045	502,000	13,000
ii) Sales during the year	147,600	15,000	404,000	8,420
iii) Closing and opening stock of equity shares				
a) Equity shares in HDFC Bank Ltd	-	-	8,900	89
b) Equity shares in IDBI Ltd	8,300	780	19,200	1,997
c) Equity shares in Mold-Tek Plastics Ltd	60,000	840	60,000	1,800
d) Equity shares in Vijay Textiles Ltd	9,900	693	9,900	891
	<u>78,200</u>	<u>2,313</u>	<u>98,000</u>	<u>4,777</u>

All equity shares are of Rs 10 each fully paid-up

(b) Generation and sales of electricity

	Current year	Previous year
i) Installed capacity (KW)	1,060	1,060
ii) Units generated and sold (KWH)	1,075,331	669,718
iii) Sales value (Rs.000s)	2,396	1,210

14. The Company has, from the current year, decided to account for brokerage on fixed deposits on a pro-rata basis over the period of deposit but in no case exceeding two years as compared with charging off in the year of incurrance in the earlier years, which has resulted in lower charge of Rs. 8,494,000.

15. Previous years' figures have been regrouped / recast, wherever necessary, to conform to the current year's classification.

Signatures to Schedules 1 to 15

For and on behalf of the Board of Directors

S. R. Gopalan (President)
Vidya Sarathy (Company Secretary)

Azlm Hasham Premji (Chairman)
S. C. Senapaty (Director)
D. K. Ranjekar (Director)

Bangalore, July 30, 1997



WIPRO FINANCE LIMITED

BALANCE SHEET ABSTRACT AND THE COMPANY'S GENERAL BUSINESS PROFILE**I. Registration Details**

Registration No.	21956	State Code	08
Balance Sheet date	March 31, 1997		

II. Capital raised during the year

Public issue	Nil
Rights issue	Nil
Bonus issue	Nil
Private placement	11,428

III. Position of mobilisation of and deployment of funds (Rs.000s)

Total liabilities	4,328,758	Total assets	4,328,758
Sources of funds		Application of funds	
Paid-up capital	269,190	Net fixed assets	1,381,147
Reserves and surplus	500,900	Investments	185,276
Secured loans	1,962,969	Net current assets	2,762,335
Unsecured loans	1,590,699	Miscellaneous expenditure	--
		Accumulated losses	--

IV. Performance of the Company (Rs.000s)

Turnover	992,424
Total expenditure	980,813
Profit before tax	11,611
Profit for the year	11,611
Earnings per share	0.37
Dividend	--

V. Generic names of three principal products/services of the Company (as per monetary terms)

Not applicable

Product description	Leasing, hire purchase, bill Discounting and other financial services
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WIPRO ACER LIMITED

DIRECTORS' REPORT

The Directors present their Annual Report of Wipro Acer Limited for the period August 01, 1996, to March 31, 1997.

	Rs. (million)	
	1996-97	1995-96
Sales and other income	15.47	-
Profit before tax	(37.12)	-
Profit after tax	(37.12)	-

Mr. Ashok Soota and Mr. York Chen, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment.

The Auditors, M/s. A.F. Ferguson Associates, retire at the conclusion of the ensuing Annual General Meeting and offer themselves for re-appointment. Members are requested to appoint the Auditors and fix their remuneration.

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is given in the Annexure forming part of this report.

The foreign exchange earnings of the Company during the year were Rs. NIL while the outgoings were Rs. 2.16 Million.

On behalf of the Board

Place: Bangalore
Date : June 30, 1997

Azim Hasham Premji
Chairman



REPORT OF THE AUDITORS TO THE MEMBERS OF WIPRO ACER LIMITED

We have audited the attached balance sheet of Wipro Acer Limited as at 31st March, 1997 and also the Profit and Loss account of the Company for the period 1st August, 1996, to 31st March, 1997, annexed thereto, and report that:

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we give in the annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the annexure referred to in paragraph (1) above, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
 - c) the Balance Sheet and the Profit and Loss account dealt with by this report are in agreement with the books of account;
 - d) in our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1997 and
 - (ii) in the case of the Profit and Loss account, of the loss for the period ended on that date.



ANNEXURE TO AUDITORS' REPORT

Annexure referred to in paragraph 1 of our report to the members of Wipro Acer Limited on the accounts for the period ended 31st March, 1997.

1. The provisions of Clauses A, B and C of paragraph 4 of the Manufacturing and Other Companies (Auditor's Report) Order, 1988, are applicable to the Company. However, sub-clauses XIV, XV, XVI, XVII and XX of Clause A and sub-clauses II, III and IV of Clause B are not applicable for the current period.
2. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. This being the first year of operations, the management has not considered it necessary to conduct a physical verification of fixed assets.
3. None of the fixed assets has been revalued during the period.
4. The stocks of finished goods and components have been physically verified by the management at the end of the period. In our opinion, the frequency of verification is reasonable.
5. In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
6. No discrepancies were noticed on physical verification of stocks as compared to book records.
7. On the basis of our examination of stock records, we are of the opinion that the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles. This being the first year of operations, the question of reporting on whether the basis of valuation is the same as that in the preceding year, does not arise.
8. The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, or from the companies under the same management as defined under sub-section (1B) of section 370 of the Companies Act, 1956, where the rate of interest and other terms and conditions of such loans are prima facie prejudicial to the interest of the Company.
9. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956, or to the companies under the same management as defined under sub-section (1B) of section 370 of the Companies Act, 1956, where the rate of interest and other terms and conditions of such loans are prima facie prejudicial to the interest of the Company.
10. The parties to whom loans or advances in the nature of loans have been given by the Company are repaying the principal amounts and interest, if applicable, as stipulated.
11. In our opinion and according to the explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores and spares, components, plant and machinery, equipment and other assets and for the sale of goods.
12. In our opinion and according to the information and explanations given to us, the transactions of purchase of goods and materials, made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the period to Rs. 50,000 or more in respect of each party, have been made at prices which are reasonable having regard to the prevailing market prices for such goods and materials, or the prices at which transactions for similar goods have been made with other parties. We are informed that there are no transactions of sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the period to Rs. 50,000 or more in respect of each party.
13. As explained to us, the Company has a regular procedure for the determination of unserviceable and damaged stores, raw materials and finished goods. Adequate provision has been made in the accounts for the loss arising on the items so determined.
14. The Company has not accepted any deposits from the public to which the provisions of Section 58A of the Companies Act, 1956 and the rules framed thereunder, are applicable.
15. According to the information and explanations given to us and records of the Company examined by us, there were no undisputed amounts payable in respect of income-tax, wealth tax, sales tax, customs duty and excise duty outstanding as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
16. According to the information and explanations given to us and records of the Company examined by us, no personal expenses have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practice.
17. In respect of trading activities of the Company, damaged goods have been determined and adequate provision for the loss has been made in respect thereof.

For A. F. FERGUSON ASSOCIATES
Chartered Accountants



WIPRO ACER LIMITED

BALANCE SHEET AS AT MARCH 31, 1997

	Schedule	As At March 31, 1997 Rs. 000s	As at July 31, 1996 Rs. 000s
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	59,999	1
		<u>59,999</u>	<u>1</u>
APPLICATION OF FUNDS			
Fixed assets	2		
Gross block		10,525	-
Less : Depreciation		<u>182</u>	<u>-</u>
Net block		10,343	-
Capital work-in-progress and advances		<u>3,285</u>	<u>927</u>
		<u>13,628</u>	<u>927</u>
Pre-operative expenditure pending allocation to capital and other accounts	3	941	745
Current assets, loans and advances			
Inventories	4	11,467	-
Sundry debtors	5	2,010	-
Cash and bank balances	6	1,891	301
Loans and advances	7	<u>4,568</u>	<u>632</u>
		<u>19,936</u>	<u>933</u>
Less : Current liabilities and provisions			
Liabilities	8	11,077	2,604
Provisions	9	<u>552</u>	<u>-</u>
		<u>11,629</u>	<u>2,604</u>
Net current assets		8,307	(1,671)
Profit and Loss account		<u>37,123</u>	<u>-</u>
		<u>59,999</u>	<u>1</u>
Notes to accounts	13		

PROFIT AND LOSS ACCOUNT FOR THE PERIOD AUGUST 01, 1996 TO MARCH 31, 1997

	Schedule	For the period August 01, 1996 to March 31, 1997 Rs. 000s
INCOME		
Sales and services		4,218
Other income	10	<u>11,249</u>
		<u>15,467</u>
EXPENDITURE		
Materials consumed	11	6,638
Manufacturing, administrative and marketing expenses	12	<u>45,770</u>
Depreciation		<u>182</u>
		<u>52,590</u>
LOSS FOR THE PERIOD CARRIED TO BALANCE SHEET		<u>37,123</u>
Notes to accounts	13	

Per our report attached to the Balance Sheet

For A. F. Ferguson Associates
Chartered Accountants

R. Subramaniam
Partner

K. Shankar
Company Secretary

Mumbai, June 28, 1997

For and on behalf of the Board of Directors

Azim Hasham Premji (Chairman)**Ashok Soota** (Director)**Richard Chang** (Director)

Bangalore, June 27, 1997



WIPRO ACER LIMITED

SCHEDULE 1 SHARE CAPITAL**Authorised**

12,000,000 equity shares of Rs. 10/- each

As at March 31, 1997 Rs. 000s	As at July 31, 1996 Rs. 000s
-------------------------------------	------------------------------------

120,000	120,000
---------	---------

Issued, subscribed and paid-up

5,999,900 (Previous period : 100) equity shares of Rs.10/- each

59,999	1
--------	---

59,999	1
--------	---

[Of the above, 3,299,945 (previous period - 55) equity shares of Rs. 10/- each are held by Wipro Limited, the holding company]

SCHEDULE 2 FIXED ASSETS

	Land	Plant and machinery	Furniture, fixtures and equipments	Total	Rs. 000s Previous period
Gross Block as at August 01, 1996	-	-	-	-	-
Additions, at cost	7,428	2,340	757	10,525	-
Gross Block as at March 31, 1997	7,428	2,340	757	10,525	-
Accumulated depreciation as at August 01, 1996	-	-	-	-	-
Depreciation for the period	-	149	33	182	-
Accumulated depreciation as at March 31, 1997	-	149	33	182	-
Net Block as at March 31, 1997	7,428	2,191	724	10,343	-
Net Block as at July 31, 1996	-	-	-	-	-

SCHEDULE 3 PRE-OPERATIVE EXPENSES PENDING**ALLOCATION TO CAPITAL AND OTHER ACCOUNTS**

	As at July 31, 1996	Additions during the period	Transferred to Profit and Loss account under respective heads (Schedule 12)	Rs. 000s As at March 31, 1997
Insurance	56	-	56	-
Rates and taxes	611	-	611	-
Advertisement	40	-	40	-
Audit fees	6	-	6	-
Finance and bank charges	2	-	-	2
Licence charges	3	-	3	-
Printing and stationery	1	-	1	-
Legal and professional charges	26	-	26	-
Rent	-	526	-	526
Repairs and maintenance	-	363	-	363
Brokerage	-	50	-	50
	745	939	743	941



WIPRO ACER LIMITED

SCHEDULE 4 INVENTORIES

Raw materials and components
Finished products

As At March 31, 1997 Rs. 000s	As at July 31, 1996 Rs. 000s
200	-
11,267	-
<u>11,467</u>	<u>-</u>

SCHEDULE 5 SUNDRY DEBTORS

(Unsecured and considered good, unless otherwise stated)

Over six months
Others

461	-
1,549	-
<u>2,010</u>	<u>-</u>

SCHEDULE 6 CASH AND BANK BALANCES

Cash and cheques on hand

15 1

Balances with scheduled banks
On current account

1,876	300
<u>1,891</u>	<u>301</u>

SCHEDULE 7 LOANS AND ADVANCES

(Unsecured and considered good, unless otherwise stated)

Advances recoverable in cash or in kind or for value to be received
Sundry deposits
Advance income-tax
Balances with excise and customs
Due from holding company

901	112
2,149	520
268	-
119	-
1,131	-
<u>4,568</u>	<u>632</u>

SCHEDULE 8 LIABILITIES

Sundry creditors
Advances from customers
Other liabilities

8,174	-
15	-
2,888	2,604
<u>11,077</u>	<u>2,604</u>

SCHEDULE 9 PROVISIONS

Gratuity/Pension
Leave salary

12	-
540	-
<u>552</u>	<u>-</u>

SCHEDULE 10 OTHER INCOME

For the period
August 01, 1996
to March 31, 1997
Rs. 000s

Interest on deposits with companies
[Tax deducted at source - Rs. 268,491.48
(Previous period - Rs. Nil)]
Commission

1,249
10,000
<u>11,249</u>



WIPRO ACER LIMITED

For the period
August 01, 1996
to March 31, 1997
Rs. 000s

SCHEDULE 11 MATERIALS CONSUMED**Raw materials and bought out components**

Opening stock	-
Add: Purchases	200
Less : Closing stock	200
	-
Purchases	361
	361

(Increase)/decrease in finished products :

Inventories of 1726 fax machines as at 30.11.96 - See note (c)	17,544
Less : Closing stock	11,267
	6,277
	6,638

SCHEDULE 12 MANUFACTURING, ADMINISTRATIVE AND MARKETING EXPENSES (see Schedule 3)

Stores and spares consumed	92
Power and fuel	313
Salaries, wages and bonus	2,729
Contribution to provident and other funds	129
Gratuity and pension	147
Workmen and staff welfare	128
Insurance	342
Repairs to machinery	3
Rent	1,128
Rates and taxes	697
Carriage and freight	154
Brokerage and commission	393
Statutory audit fees	56
Advertisement and sales promotion	33,517
Travelling	2,194
Communication	2,209
Legal and professional charges	563
Miscellaneous	976
	45,770

SCHEDULE 13. NOTES TO ACCOUNTS**a) SIGNIFICANT ACCOUNTING POLICIES****Accounting convention**

Accounts are prepared under the historical cost convention.

Revenue recognition

Sales are recognised on despatch of goods by the consignment agents. Sales excludes sales tax and are net of discounts.

Provision for retirement benefits

Provision for gratuity and leave salary for employees is determined as per actuarial valuation. Contributions to provident fund and pension fund are made at a pre-determined rate and charged to the Profit and Loss account.

**Fixed assets**

Fixed assets are stated at cost of acquisition or construction less depreciation.

Depreciation is provided on straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 except as stated below:

	Per books %	Per Schedule XIV %
Plant and machinery	19.00	16.21
Furniture and fixtures	9.50	6.33

In case of assets costing less than Rs. 5,000/- each, 95% thereof has been provided as current depreciation.

Foreign currency transactions

Foreign currency transactions for each month are recorded at the spot rate prevailing at the beginning of the month. Year end balances of foreign currency assets and liabilities are restated at the closing rate/forward contract rate as applicable; resultant differences on liabilities relating to acquisition of fixed assets are capitalised and on other assets and liabilities are adjusted to Profit and Loss account.

Inventory

Finished goods are valued at cost or net realisable value, whichever is lower. Cost is determined on weighted average method.

NOTES TO ACCOUNTS

- The Company commenced commercial operations of its trading activity in August 1996. The Company has decided to close the accounts as on March 31, 1997, and as such, the Profit and Loss account has been prepared for the period August 01, 1996 to March 31, 1997.
- The Company has taken over, as a going concern, the trading business of fax machines from Wipro Limited with effect from November 30, 1996.
- Pre-operative expenditure carried forward relates to expenditure incurred on setting up of manufacturing facility. This expenditure will be capitalised on commencement of commercial operations.
- Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 582,882 (previous period: Rs. 5,253,000).
- The Company has not made provision for customs duty on goods imported but not cleared amounting to Rs. 5,056,146 (previous period - Rs. Nil) as these are accounted for on clearance of goods. This has no impact on the results for the period.

f) ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

(i) Licensed/installed capacities:

	Licensed capacity	Installed capacity
Fax machines	NA	NA

(ii) Production and sales :

	Production		Sales			
	Current Period	Previous Period	Current period Qty	Current period Rs. 000s	Previous period Qty	Previous period Rs. 000s
Fax machines	-	-	293*	4218	-	-
* excludes 15 nos. for internal use, etc.						
(iii) Closing stock :						
Fax machines			1418	10,906	-	-
Computers			2	331	-	-
Others			-	30	-	-
				11,267	-	-
(iv) Trading purchases :						
Computers			2	331	-	-
Others				30	-	-
				361	-	-
				Current period Rs. 000s		Previous period Rs. 000s
(v) Value of imports on CIF basis :						
(excludes imported goods locally purchased)						
Capital goods				1,895	-	-
Components				135	-	-
				2,030	-	-
(vi) Expenditure in foreign currency:						
Travel				200	-	-
				200	-	-

- Foreign exchange loss (net) debited to the Profit and Loss account is Rs. 17,200 (previous period : Rs. Nil). Foreign exchange loss (net) adjusted to the cost of fixed assets is Rs. 12,360 (previous period : Rs. Nil).



WIPRO ACER LIMITED

h) ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND THE COMPANY'S BUSINESS PROFILE

Registration details

Registration no.	17,770
State Code	08
Balance Sheet date	March 31, 1997

Capital raised during the period

Public issue	Nil
Rights issue	Nil
Bonus issue	Nil
Private placement	Rs. 59,998,000

Position of mobilisation and deployment of funds (Rs. 000s)

Total Liabilities	71,628	Total assets	71,628
--------------------------	---------------	---------------------	---------------

Source of funds

Paid-up capital	59,999
Reserves & surplus	-
Secured loans	-
Unsecured loans	-
Current liabilities	11,629

Application of funds

Fixed assets	13,628
Pre-operative expenses	941
Investments	-
Current assets	19,936
Accumulated losses	37,123

Performance of the Company (Rs 000s)

Turnover	15,467
Total expenditure	52,590
Profit / (Loss) before tax	(37,123)
Profit / (Loss) after tax	(37,123)
Earning per share	NA
Dividend	Nil

Generic names of three principal products/services of the Company (as per monetary terms)

Item code no. (ITC Code)	85.17.21
Product description	Fascimile machines

Item code no. (ITC Code)	NA
Product description	NA

Item code No. (ITC Code)	NA
Product description	NA

- i) Previous period's figures have been regrouped/recast wherever necessary to conform to current period's classification.

Signature to Schedules 1 to 13

For and on behalf of the Board of Directors

K. Shankar
 Company Secretary

Azim Hasham Premji (Chairman)
Ashok Soota (Director)
Richard Chang (Director)

Bangalore : June 27, 1997

**DIRECTORS' REPORT**

The Directors present their Annual Report of Wipro Investment Limited for the year 1996-97.

The Profit and Loss account shows a loss of Rs. 20,123/- for the year.

The Auditors, M/s N.M. Raiji & Co., retire at the ensuing Annual General Meeting and offer themselves for re-appointment.

The Company has no employees in the category specified under Section 217 (2A) of the Companies Act, 1956.

The Company has nothing to report on the particulars required under Section 217 (1) (a) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

On behalf of the Board of Directors

Bangalore, August 1, 1997
Azim Hasham Premji
Chairman

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of Wipro Investment Limited as at March 31, 1997 and also the annexed Profit and Loss account for the year ended on that date and report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books.
- The Balance Sheet and Profit and Loss account are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the said accounts, together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give, true and fair view:
 - In the case of the Balance Sheet of the state of affairs of the Company as at March 31, 1997;
 - In the case of the Profit and Loss account of the Loss for the year ended on that date.
- As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board, in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate, we further state that:
 - The Company is an investment company. It owns fixed assets in the form of Trade Marks which are not physically verifiable. The Company has not revalued its fixed assets. The Company does not have any employees. Hence, in our opinion no comments under paragraph 4 of the Order are called for in the case of items (iii), (iv), (v), (vi), (x), (xi), (xii), (xiv), (xv), (xvi), (xvii), (xx) of clause (A) and item (iii) of clause D.
 - The Company has taken interest free loans from the holding company and from the companies, firms or other parties listed in the register maintained under Section 370(1B) of the Companies Act, 1956. The terms and conditions of the loan are not prima facie prejudicial to the interest of the Company.
 - The Company has not granted any loans, secured or unsecured, to the companies, firms or other parties listed in the register maintained under Section 301 or the companies under the same management as defined under Section 370(1B) of the Companies Act, 1956.
 - The Company has not given any loans or advances in the nature of loan.
 - Directives issued by the Reserve Bank of India and the provisions of Section 58A of the Companies Act, 1956 and the Rules framed thereunder are not applicable as the Company has not accepted deposits.
 - We have no comments to offer under paragraph 4A(XV) of the Order regarding internal audit as paid up capital of the Company is less than Rs. 2.5 million and the average annual turnover is less than Rs. 20.00 million.
 - There is no undisputed amount payable as at March 31, 1997, in respect of income tax, wealth tax, customs and excise duties.
 - No personal expenses have been charged to revenue account.
 - We have no comments to offer under paragraph 4D(ii) as the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(x) During the year there were no securities held by the Company.

For **N. M. Raiji & Co.**
Chartered Accountants

Mumbai,
August 5, 1997

J. M. Gandhi
Partner

BALANCE SHEET AS AT MARCH 31, 1997

	Schedule	1997 Rupees	1996 Rupees
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	20,000	20,000
Loan funds			
Unsecured loan	2	690,000	690,000
		<u>710,000</u>	<u>710,000</u>
APPLICATION OF FUNDS			
Fixed assets			
Trade marks(at cost)		148,690	148,690
Less: Amortisation		135,410	118,626
		<u>13,280</u>	<u>30,064</u>
Current assets, loans and advances	3	632,778	633,128
Less: Current liabilities and provisions	4	25,814	22,825
		<u>606,964</u>	<u>610,303</u>
Profit and Loss account		89,756	69,633
Net current assets		<u>710,000</u>	<u>710,000</u>
Notes to accounts	5		

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 1997

INCOME		
Licence fees	<u>7,000</u>	<u>7,000</u>
EXPENDITURE		
Professional charges	<u>3,000</u>	<u>3,000</u>
Miscellaneous expenses	<u>589</u>	<u>10</u>
Amortisation	<u>16,784</u>	<u>16,741</u>
Auditor's remuneration		
Audit fees	<u>6,000</u>	<u>6,000</u>
For certification	<u>750</u>	<u>750</u>
	<u>27,123</u>	<u>26,501</u>
Profit before taxation	<u>(20,123)</u>	<u>(19,501)</u>
Provision for taxation	-	-
Profit /(loss) after taxation	<u>(20,123)</u>	<u>(19,501)</u>
Balance brought forward	<u>(69,633)</u>	<u>(50,132)</u>
Balance carried to Balance Sheet	<u>(89,756)</u>	<u>(69,633)</u>

Notes to accounts 5

As per our report attached
For **N. M. Raiji & Co.**
Chartered Accountants

J. M. Gandhi
Partner
Mumbai, August 5, 1997

For and on behalf of the Board of Directors

Azim Hasham Premji (Chairman)

S. C. Senapaty (Director)

Bangalore, August 1, 1997



WIPRO INVESTMENT LIMITED

SCHEDULE 1 SHARE CAPITAL	1997 Rupees	1996 Rupees
Authorised		
8,000 equity shares of Rs.10/- each	80,000	80,000
2,000 9% cumulative redeemable preference shares of Rs.10/- each	20,000	20,000
	<u>100,000</u>	<u>100,000</u>
Issued, subscribed and paid up		
200 equity shares of Rs.10/- each	2,000	2,000
1,800 9% cumulative redeemable preference shares of Rs.10/- each	18,000	18,000
	<u>20,000</u>	<u>20,000</u>

Notes :

- All the above shares are held by Wipro Limited, the holding company.
- The preference shares are redeemable at par at any time before the expiry of ten years from the date of allotment, at the discretion of the Company

SCHEDULE 2 UNSECURED LOAN

From Wipro Limited	600,000	600,000
From Inlec Investment Limited	90,000	90,000
	<u>690,000</u>	<u>690,000</u>

SCHEDULE 3 CURRENT ASSETS LOANS AND ADVANCES

	1997 Rupees	1996 Rupees
Debtors (unsecured and considered good)		
more than 6 months	25,000	25,000
Cash in hand	50	50
Balance with scheduled bank in current account	728	878
Advances for purchase of shares	600,000	600,000
Amount due from the holding company	7,000	7,200
	<u>632,778</u>	<u>633,128</u>

SCHEDULE 4 CURRENT LIABILITIES AND PROVISIONS

CURRENT LIABILITIES

Sundry creditors	6,825	12,825
Amount due to holding company	8,989	-
Provision for taxation	10,000	10,000
	<u>25,814</u>	<u>22,825</u>

SCHEDULE 5 NOTES TO ACCOUNTS

- Accounting policies:
Trade marks are amortised over the life of the trade mark.
- Arrears of dividend on preference shares (including shares already redeemed) not provided for Rs.22,504 (1996 : Rs. 20,884).
- Additional information pursuant to Part II of Schedule VI to the Companies Act, 1956 not applicable.
- The figures of the previous year have been regrouped, wherever necessary, to conform to current year's classification.

As per our report attached

For N. M. Raiji & Co.
Chartered AccountantsJ. M. Gandhi
Partner

Mumbai, August 5, 1997

For and on behalf of the Board of Directors

Azim Hasham Premji (Chairman)

S. C. Senapaty (Director)

Bangalore, August 1, 1997

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND THE COMPANY'S GENERAL BUSINESS PROFILE

I. Registration details

Registration No.	21795	State Code	08
Balance Sheet Date	March 31, 1997		

II. Capital raised during the year

Public issue	Nil
Rights issue	Nil
Bonus issue	Nil
Private placement	Nil

III. Position of mobilisation of and deployment of funds (Rupees)

Total liabilities	710,000	Total assets	710,000
Sources of funds		Application of funds	
Paid-up capital	20,000	Net fixed assets	13,280
Reserves and surplus	Nil	Investments	Nil
Secured loans	Nil	Net current assets	606,964
Unsecured loans	690,000	Miscellaneous expenditure	Nil
		Accumulated losses	89,756

IV. Performance of the Company (Rupees)

Turnover	7,000
Total expenditure	27,123
Profit before tax	(20,123)
Profit after tax	(20,123)
Earnings per share	Nil
Dividend	Nil

V. Generic names of three principal products/services of the Company (as per monetary terms)

Not applicable

For and on behalf of the Board of Directors

Azim Hasham Premji (Chairman)

S. C. Senapaty (Director)

Bangalore, August 1, 1997

**DIRECTORS' REPORT**

The Directors present their Annual Report of Inlec Investment Limited for the year 1996-97.

The Profit and Loss Account shows a profit of Rs. 3,346/- for the year.

The Auditors, M/s N.M. Raiji & Co., retire at the ensuing Annual General Meeting and offer themselves for re-appointment.

The Company has no employees in the category specified under Section 217 (2A) of the Companies Act, 1956.

The Company has nothing to report on the particulars required under Section 217 (1) (a) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

On behalf of the Board of Directors

Azim Hasham Premji
Chairman

Bangalore, August 1, 1997

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of Inlec Investment Limited as at March 31, 1997 and also the annexed Profit and Loss Account for the year ended on that date and report that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books.
3. The Balance Sheet and Profit and Loss Account are in agreement with the books of account.
4. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give, true and fair view:
 - (a) In the case of the Balance Sheet of the state of affairs of the Company as at March 31, 1997;
 - (b) In the case of the Profit and Loss Account of the Profit for the year ended on that date.
5. As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988, issued by the Company Law Board, in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks as we considered appropriate, we further state that:
 - i. The Company is an investment company. It does not own any fixed assets nor does it have any employees. Hence, in our opinion no comments under paragraph 4 of the order is called for in the case of items (i), (ii), (iii), (iv), (v), (vi), (x), (xi), (xii), (xiv), (xvi), (xvii), (xx) of clause (A) and item (iii) of clause D.
 - ii. The Company has taken interest free advances from the holding company for which repayment schedule is not stipulated. The terms and conditions of the loan are not prima facie prejudicial to the interest of the Company.
 - iii. The Company has granted interest free loans to the companies under the same management as defined under Section 370 (1-B) of the Companies Act, 1956, for which the repayment schedule is not stipulated. The Company has not granted any other loan to the Companies listed in the register maintained under Section 301 of the Companies Act, 1956.
 - iv. As explained to us, the Company has not given any loans or advances in the nature of loan.
 - v. Directives issued by the Reserve Bank of India and the provisions of Section 58A of the Companies Act, 1956 and the Rules framed thereunder are not applicable as the Company has not accepted deposits.
 - vi. We have no comments to offer under paragraph 4A(XV) of the Order regarding internal audit as paid up capital of the Company is less than Rs. 2.5 million and the average annual turnover is less than Rs. 20.00 million.
 - vii. There is no undisputed amount payable as at March 31, 1997, in respect of income tax, wealth tax, customs and excise duties.

- viii. No personal expenses have been charged to revenue account.
- ix. We have no comments to offer under paragraph 4D(ii) as the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- x. The Company has maintained proper records of transactions and contracts in respect of the share and has also made timely entries therein. Except for certain shares referred to in note 2 to accounts, all the securities have been held by the Company in its own name.

For **N. M. Raiji & Co.**
Chartered Accountants

Mumbai
August 5, 1997

J. M. Gandhi
Partner

BALANCE SHEET AS AT MARCH 31, 1997

	Schedule	1997 Rupees	1996 Rupees
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	2,000	2,000
Reserves and surplus	2	1,086,414	1,083,068
		<u>1,088,414</u>	<u>1,085,068</u>
APPLICATION OF FUNDS			
Fixed assets			
Investments	3	261,868	261,868
Current assets, loans and advances	4	865,921	862,180
Less: Current liabilities and provisions	5	39,375	38,980
Net Current assets		<u>826,546</u>	<u>823,200</u>
		<u>1,088,414</u>	<u>1,085,068</u>

Notes to accounts

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 1997

INCOME			
Dividend - gross			
[tax deducted at source Rs. 2841;			
(1996 : Rs. 2,370)]		13,085	9,625
Interest on debentures - gross			
[tax deducted at source Rs. 807;			
(1996 : Rs. 830)]		3,396	3,396
		<u>16,481</u>	<u>13,021</u>
EXPENDITURE			
Professional charges		3,000	3,000
General charges		860	-
Auditor's remuneration			
Audit fees		6,000	6,000
For certification		750	750
		<u>10,610</u>	<u>9,750</u>
Profit/(loss) before taxation		<u>5,871</u>	<u>3,271</u>
Provision for taxation		<u>2,525</u>	-
Profit/(loss) after taxation		<u>3,346</u>	<u>3,271</u>
Balance brought forward		<u>700,068</u>	<u>786,397</u>
		<u>703,414</u>	<u>789,668</u>
Proposed dividend (subject to deduction of tax)		-	9,600
Transfer to general reserve		-	80,000
Balance carried to Balance Sheet		<u>703,414</u>	<u>700,068</u>

Notes to accounts

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As per our report attached For and on behalf of the Board of Directors

For **N. M. Raiji & Co.**
Chartered Accountants

Azim Hasham Premji (Chairman)
S. C. Senapaty (Director)

J. M. Gandhi
Partner

Mumbai, August 5, 1997

Bangalore, August 1, 1997



INLEC INVESTMENT LIMITED

			1997 Rupees	1996 Rupees		Number	Face Value Rupees	1997 Rupees	1996 Rupees
SCHEDULE 1 SHARE CAPITAL									
Authorised					Tata Engineering and Locomotive Company Limited	80	10	2,050	2,050
8,000 equity shares of Rs.10/- each			80,000	80,000	Ashok Leyland Limited	50	10	1,475	1,475
2,000 9% cumulative redeemable preference shares of Rs.10/- each			20,000	20,000	Ambalal Sarabhai Enterprises Limited	42	10	409	409
			100,000	100,000	Sarabhai Electronics Limited	8	10	78	78
Issued, subscribed and paid up					Nestle India Limited (100 shares added as bonus shares during the year)	300	10	4,300	4,300
200 equity shares of Rs.10/- each			2,000	2,000	Surya Roshni Limited	87	10	4,750	4,750
			2,000	2,000	Oswal Agro Furane Limited	30	10	300	300
All the above shares are held by Wipro Limited, the Holding Company					Cadbury India Limited (40 shares added as bonus shares during the year)	90	10	10,425	10,425
SCHEDULE 2 RESERVES AND SURPLUS									
General reserve					Hindustan Dorr Oliver Limited	50	10	4,575	4,575
As per last Balance Sheet			365,000	285,000	KSB Pumps Limited (50 shares added as bonus shares during the year)	100	10	11,425	11,425
Add: Transfer from Profit and Loss account			-	80,000	Britannia Industries Limited	100	10	23,450	23,450
			365,000	365,000	Exide Industries Limited	150	10	14,500	14,500
Capital redemption reserve					Brooke Bond Lipton India Limited	50	10	7,850	7,850
Profit and Loss account			18,000	18,000	Amrit Banaspati Company Limited	100	10	8,250	8,250
			703,414	700,068	Procter & Gamble India Limited	50	10	12,700	12,700
			1,086,414	1,083,068	Crompton Greaves Limited	5	100	6,600	6,600
	Number	Face Value Rupees	1997 Rupees	1996 Rupees					
SCHEDULE 3 INVESTMENTS									
(At cost)									
EQUITY SHARES									
A. Trade (quoted)									
Dynamatic Technologies Limited (Refer note No.2)	3,732	10	66,363	66,363	Non-trade (Unquoted)				
B. Non-trade (quoted)					All Seasons Foods Limited	100	10	1,900	1,900
Rasoi Limited	112	10	1,750	1,750	Investment in Debentures (Unquoted)				
Ponds (India) Limited	300	10	6,792	6,792	14 % secured redeemable non-convertible debentures of Corn Products Company (India) Limited	344	70	24,080	24,080
Mannesmann Rexroth (India) Limited	50	10	438	438	Investments held as stock-in-trade (quoted) (at cost or market value whichever is lower)				
Oswal Agro Mills Limited	80	10	3,100	3,100	Corn Products Company (India) Limited	240	10	12,357	12,357
DCM Limited	31	10	675	675					
DCM Shriram Industries Limited	55	10	1,696	1,696					
DCM Shriram Consolidated Limited (10 shares added as bonus shares during the year)	51	10	2,276	2,276					
Shriram Industrial Enterprises Limited	62	10	676	676					
Fujitsu - ICIM Limited	75	10	1,625	1,625					
The National Radio & Electronics Company Limited	150	10	2,565	2,565					
Hindustan Lever Limited	152	10	2,938	2,938					
Hindustan Motors Limited	200	10	4,250	4,250					
								261,868	261,868
Aggregate cost of quoted investments								235,888	237,788
Aggregate cost of unquoted investments								25,980	24,080
Market value of quoted investments (including held as stock-in-trade)								891,120	840,917



	1997 Rupees	1996 Rupees
SCHEDULE 4 CURRENT ASSETS, LOANS AND ADVANCES		
Balances with a scheduled bank in current account	311,883	312,652
Cash in hand	50	50
Loans *	90,000	90,000
Dividend receivable	387	-
Advances recoverable in cash or kind or for value to be received (considered good)**	445,750	442,750
Advance Income Tax (net of provision)	17,851	16,728
	<u>865,921</u>	<u>862,180</u>

* Given to companies under the same management viz ..
Wipro Investment Limited Rs. 90,000 (1996 : Rs.90,000) [Maximum balance
during the year - Rs. 90,000 (1996: Rs. 150,000)]

** Includes Rs.400,000 advance for purchase of shares.

SCHEDULE 5 CURRENT LIABILITIES AND PROVISIONS CURRENT LIABILITIES

Sundry creditors	14,630	20,630
Amount due to holding company	24,745	8,750
PROVISIONS		
Proposed dividend	-	9,600
	<u>39,375</u>	<u>38,980</u>

SCHEDULE 6 NOTES TO ACCOUNTS

1. Accounting policies

Investments-

Investments are accounted at cost plus transfer charges. *Diminution in value* is provided for where the Management is of the opinion that the diminution is of a permanent nature.

Income on investments-

Income on investments is recognised on accrual basis.

2. As at the date of audit, 3451 equity shares of Dynamatic Technologies Limited purchased by the Company had remained to be transferred in the name of the Company pending disposal of the appeal of the Company before the Hon'ble Madras High Court in this regard.

3. Additional information pursuant to Part II of Schedule VI to the Companies Act, 1956 - Not applicable.

4. Figures of previous year have been regrouped, wherever necessary to confirm to current year's classification.

As per our report attached

For and on behalf of the Board of Directors

For N. M. Rajji & Co.

Chartered Accountants

Azim Hasham Premji (Chairman)

S. C. Senapaty (Director)

J. M. Gandhi

Partner

Mumbai, August 5, 1997

Bangalore, August 1, 1997

For and on behalf of the Board of Directors

Azim Hasham Premji (Chairman)

S. C. Senapaty (Director)

Bangalore, August 1, 1997



INLEC INVESTMENT LIMITED

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
BALANCE SHEET ABSTRACT AND THE COMPANY'S GENERAL BUSINESS PROFILE
I. Registration details

Registration No.	21796	State Code	08
Balance Sheet date	March 31, 1997		

II. Capital raised during the year

Public issue	Nil
Rights issue	Nil
Bonus issue	Nil
Private placement	Nil

III. Position of mobilisation of and deployment of funds (Rupees)

Total liabilities	1,088,414	Total assets	1,088,414
Sources of funds		Application of funds	
Paid-up capital	2,000	Net fixed assets	Nil
Reserves and surplus	1,086,414	Investments	261,868
Secured loans	Nil	Net current assets	826,546
Unsecured loans	Nil	Miscellaneous expenditure	Nil
		Accumulated losses	Nil

IV. Performance of the Company (Rupees)

Turnover	16,481
Total expenditure	10,610
Profit before tax	5,871
Profit after tax	3,346
Earnings per share	17
Dividend	-

V. Generic names of three principal products/services of the Company (as per monetary terms) Not Applicable

For and on behalf of the Board of Directors

Azim Hasham Premji (Chairman)

S. C. Senapaty (Director)

Bangalore, August 1, 1997





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